

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

| | | | |
|---|-------------------------------|---|--------------------------|
| Local Government Type <input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Government Name Cadillac | County Wexford |
| Audit Date 6/30/05 | Opinion Date 9/6/05 | Date Accountant Report Submitted to State: 11/18/05 | |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

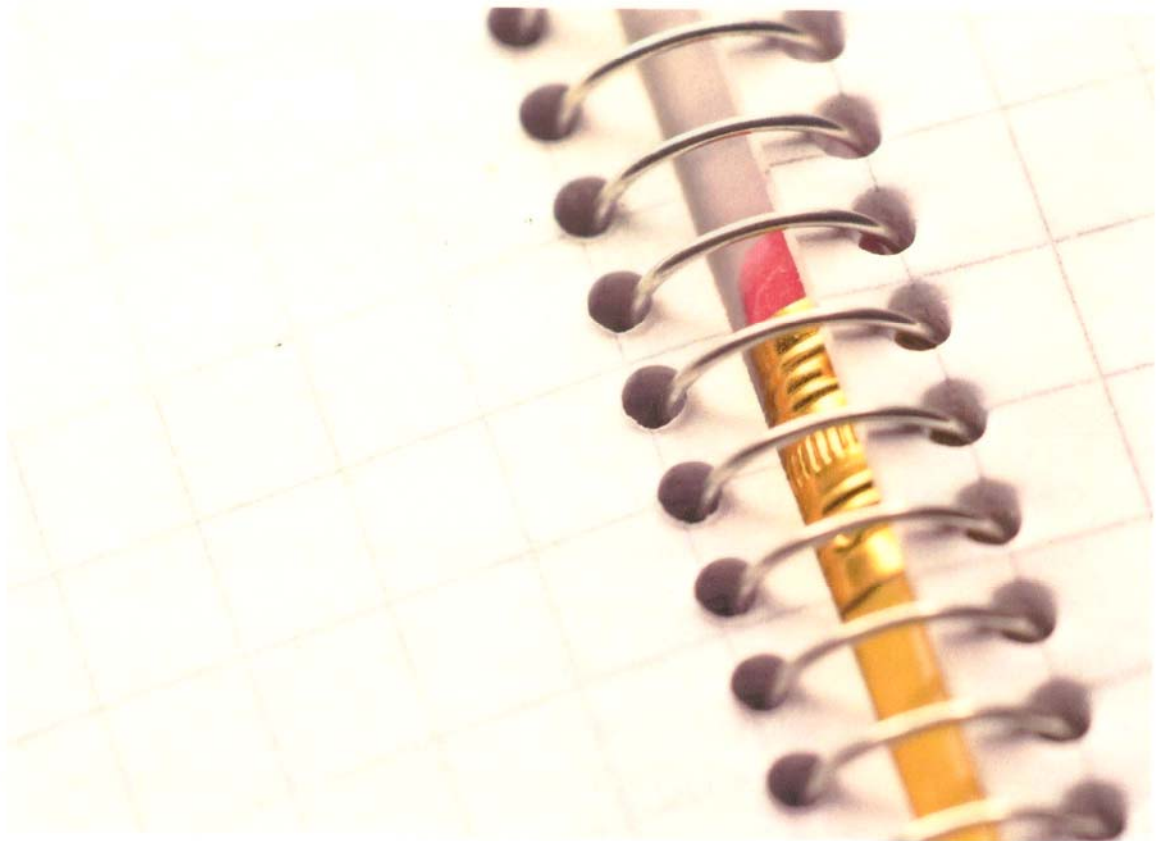
We have enclosed the following:

| | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations. | ✓ | | |
| Reports on individual federal financial assistance programs (program audits). | | | ✓ |
| Single Audit Reports (ASLGU). | ✓ | | |

| | | | |
|--|--|-------------------------|-------------------------|
| Certified Public Accountant (Firm Name) Baird, Cotter & Bishop, P.C. | | | |
| Street Address 134 W. Harris Street | | City Cadillac | State MI |
| Accountant Signature <i>John F. Taylor, C.P.A.</i> | | ZIP 49601 | Date 11/16/05 |

City of **Cadillac**

Michigan



Comprehensive **A**nnual **F**inancial **R**eport

For the Fiscal Year Ended **June 30, 2005**

CITY OF CADILLAC, MICHIGAN

JUNE 30, 2005

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200 North Lake Street • Cadillac, Michigan 49601
231.775.0181 • fax 231.775.8755
www.cadillac-mi.net

November 8, 2005

To the citizens of the City of Cadillac:

The comprehensive annual financial report of the City of Cadillac for the fiscal year ended June 30, 2005, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Baird, Cotter and Bishop, P.C., was selected once again this year to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2005, are free of material misstatement. The firm concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cadillac's financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules. This year's financial section also includes, in accordance with GAAP, a narrative introduction, overview, and analysis to accompany the basic financial statements called Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes selected financial and demographic information, generally presented on an annual basis.

PROFILE OF GOVERNMENT

The City of Cadillac was incorporated in 1877 and serves as the county seat of Wexford County. It is located in beautiful Northern Michigan and offers four very separate and distinct seasons

which provide a variety of recreational opportunities for visitors. The community is also recognized as the largest manufacturing base north of Grand Rapids, and therefore provides employment opportunities which create an excellent quality of life for the year-round residents. Cadillac occupies nine square miles, which includes a lake that is entirely within the city limits. The City government operates under a council/manager form of government and was one of the first municipalities in the state of Michigan to adopt this form of local governance. The City Council consists of four council members and a mayor elected at large. The council members are elected on a nonpartisan basis to staggered four-year terms based on four districts within the city. The mayor serves a two year term. The chief function of the City Council is to hire a City Manager and take legislative action as appropriate.

The City provides a full range of services. These services include police and fire protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City is financially accountable for the Cadillac Building Authority, the Downtown Development Authority, the Local Development Finance Authority, the Economic Development Corporation, the Brownfield Redevelopment Authority and the Policemen and Firemen Retirement System; therefore, these activities are included in the reporting entity. However, the Wexford County Airport Authority, the Cadillac Area Public School District, the Cadillac-Wexford Transit Authority, and the Cadillac Housing Commission have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

Management of the City of Cadillac is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonability recognizes that: 1) The cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The City of Cadillac maintains budgeting controls to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council. All activities of the City are budgeted and included in the annual appropriation budget in compliance with the State of Michigan P.A. 621. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control for all transfers for the budget amounts within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed appropriations at the major function level. Expenditures in all other funds may not exceed appropriations at the total fund level. The budget is approved by the city council annually by ordinance and amended by resolution quarterly as needed.

Cadillac is an extremely stable local unit of government, serving a well-rounded community. This stability has allowed for a long-term philosophy to be incorporated into the budgeting process for the City of Cadillac.

ECONOMIC CONDITION AND OUTLOOK

The economy in the State of Michigan continues to struggle. Michigan is not participating in the general economic recovery that most states throughout the country have benefited from over the past three to four years. Recognizing this problem, the leadership in Lansing has been attempting to make changes to the business structure in Michigan to create a more favorable business climate, with the hope of attracting new investment. However, partisan politics are at an all-time high, and virtually no progress has been made in this regard over the past 12 months. The recent announcement of the Delphi bankruptcy, with the potential loss of 15,000 jobs from this company alone, has sent shock waves through the business community in Michigan. Since a portion of the business activity in Cadillac is automotive related, this closing is sure to be felt locally. It is clear that the State of Michigan must make changes in its taxation policies if we are to experience positive growth in the state economy. Michigan has missed a complete recovery cycle, which will place the state at great risk should another decline in the national economy happen prior to general improvement occurring in our state.

The health of the economy in Cadillac continues to run contrary to the state trend. While Delphi certainly will have an impact on the local automotive related businesses, since this bankruptcy directly affects General Motors, the diversification of the Cadillac manufacturing base serves the community well by insulating our economy from the cyclical automotive industry. A number of manufacturers are undergoing significant expansion in Cadillac, and cooperative activity between the City, state and the business community has resulted in the extension of various incentives to help with this growth. To this end, a new MEGA tax credit was provided to Michigan Rubber, and a pre-existing MEGA was expanded on behalf of Four Winns. Additionally, another MEGA application was undertaken during this past fiscal year, and should be concluded in the coming months. Also, the City was very successful with the procurement of federal and state grant dollars to assist with local expansion activities. AAR Mobility Systems, Four Winns Boats, Avon Protection Systems, and Piranha Hose Products all are engaged in significant expansion activities, which have leveraged Community Development Block Grant dollars to be used for the improvement of local public infrastructure necessary to service these expansions. The Cadillac Industrial Fund continues to partner with the City of Cadillac to assist with industrial development and has completed a speculative building which is actively being marketed in the hope of attracting new business development.

However, Cadillac is not immune to the challenges that are facing all manufacturers throughout the United States, and to this end, Hayes Lemmerz International has announced that the local foundry will either be closed or sold during this coming year. In response to this crisis, the City of Cadillac has led a very aggressive and proactive retention effort, resulting in the development of an incentive program that will assist to make this facility a viable purchase opportunity for an appropriate development group. Since this factory is the largest single taxpayer, a major employer, and also is the most significant user of municipal water and sewer in the city, the future success of this business is key to the long term financial stability of the local community. No effort will be spared to safeguard this important employer.

New housing activity in the Cadillac community reached historical highs over this past fiscal year. As a result of the expansion in the local manufacturing base, and also general growth

throughout the business community, we are witnessing unprecedented investment in new housing stock. Three new single-family residential subdivisions were platted and approved this year, along with four new multi-family developments. Additionally, a previously approved apartment project is now moving forward. All of this combined activity will result in the first significant growth in rental and residential properties in the community since the 1970s.

Emphasis on improving pre-existing residential properties also blossomed this year, with the development of the community's first historic district. This district has received much support from the affected property owners, and will be an excellent tool to preserve and increase the value of some of Cadillac's older single-family residential neighborhoods. The City is assisting with this activity as well, with the receipt of a "Blueprints for Michigan Neighborhoods" pilot program from the State of Michigan, which will invest more than \$330,000 in public infrastructure in targeted neighborhoods.

In addition to the numerous improvements made to city streets and public utilities, continued expansion of recreational offerings was achieved as well. To this end, Phase 3 of the Clam River Greenway Project is moving forward with the procurement of the final easements necessary for construction. Also, a new skate park facility was constructed, along with a new memorial fountain in the lakefront park. The fountain in particular has been a huge success, and now serves as a focal gathering point in the downtown area. These types of special projects all rely heavily upon grants and local fundraising efforts.

Downtown Cadillac continues to receive much attention, with this year's efforts focused on the development of a corridor improvement study. The goal of this study was to identify physical changes to the downtown infrastructure that will lead to a much more pedestrian friendly environment. The initial focus on a lane reduction activity through the core business district has been abandoned in lieu of an increased emphasis on the development of bump-outs, gateway treatments, and other landscaping improvements. A thorough analysis of this roadway indicated that a lane reduction would lead to a greatly increased level of traffic congestion, which obviously would not be beneficial to the downtown area. The City also continues to work closely with the private business community to develop partnerships that lead to reinvestment in the downtown. A new professional office building and a residential condominium project will be constructed as a result of these partnerships. Additionally, the longstanding goal of the City to dispose of the old state police post was realized this year with the redevelopment of this building to house a new architectural firm. The historic nature of the post was maintained, while creating new professional office space.

The internal structure of the local unit of government continues to be closely monitored and reviewed, a necessary activity resulting from the continual erosion of the municipal revenue stream. Various state initiatives have created taxation policy that in turn has led to a municipal funding crisis in Michigan. The City of Cadillac will receive revenue sharing payments this year based upon those levels received in 1998. This comes on the heels of broken promises associated with Proposal A, which guaranteed additional revenue sharing payments necessary to make up for the loss of local property taxes restricted through this state legislation. Obviously, municipalities are being funded at a level that is nowhere near what was anticipated when the original law to cap property taxes was put in place in 1995. To offset this effect, efficiencies in

the local municipal operation have been achieved through continual downsizing of staff and via the use of new technology. A new software system was implemented for all municipal departments during this past year. This significant investment in information technology is necessary as the workforce continues to decline and existing staff take on extra duties. Additionally, accreditation is being explored for two municipal departments (Police and Public Works) and new strategies continue to be implemented in the Fire Department as a result of the operations analysis, which was completed approximately two fiscal years ago.

FUTURE OUTLOOK

It is clear that all municipalities in Michigan will continue to be challenged in the years to come. Changes need to be made in the general business climate in Michigan if we are to be successful in growing the state economy. We will continue to work with the state on this endeavor. However, this cannot be done solely on the back of local government due to the constricting effects state policy has already had on our local communities. Revenue sharing, which obviously is tied to the state's economic health, will be flat, if not declining. Proposal A will continue to restrict local property tax revenue, and this loss will not be made up through revenue sharing as originally anticipated, due to the fiscal crisis that the state is now experiencing. These two factors alone dictate that the state must look at options other than continual cuts to local revenue streams to reduce costs for the business community. Local government has done its part; the state must lead going forward.

The local population growth which is anticipated as a result of the significant reinvestment in residential housing throughout the Cadillac community will have a positive impact on our attempt to overcome these statewide financial challenges. Also, Cadillac has been extremely successful with the retention/expansion of its local manufacturing base, and these directed activities will continue to be the focal point of our economic development efforts. We have found that time spent working with local businesses to address issues that challenge their future viability is much more productive than attempting to recruit new investments. As these challenges mount for our business community, our efforts will need to be expanded appropriately.

On a parallel course, we must continue to carefully analyze all municipal services to ensure the most efficient delivery possible, especially during a time when fewer employees are available to perform the necessary duties. The goal throughout this process has been to maintain quality public services to ensure the continued existence of an excellent quality of life for all residents. This year saw the complete reformation of the City's code enforcement program to streamline this operation and make it much more efficient, leading to an improvement in code compliance. This in turn will safeguard the quality of life in our neighborhoods. Municipalities have long recognized the link between proper code enforcement and crime prevention in general, and the new code enforcement program in Cadillac is organized under the Police Department to ensure that this link is maintained.

Restrictions in local revenue also dictate that municipalities must work more closely with other units of government to share resources when possible. The City's participation in the Lakes Area Partnership Program continues with this thought in mind, and the group is now clearly focused

on the development of urban growth boundaries. This is a concept whereby local communities can work on a more cooperative basis to manage growth and provide proper services in the most cost effective manner possible. In Cadillac, this would not only lead to proper growth management, but would ensure equity in taxation for all parties who may receive a particular municipal service. Excellent progress has been made with initial discussions, and much activity is anticipated in this area over the next year.

While Cadillac is certainly challenged with a number of issues, we also are fortunate that proactive planning has positioned the community in a manner so as to be able to respond to the challenges as efficiently and effectively as possible. Accountability to the local taxpayer will be key as tough decisions are made affecting public services that community members have come to rely upon in their everyday lives. Open dialogue will be maintained through a variety of means to ensure that the citizens of Cadillac are fully apprised as to the challenges that the municipality is facing, and what options exist to address these challenges as service delivery decisions are made and implemented on their behalf.

OTHER INFORMATION

Debt Administration: At June 30, 2005, the City had a number of debt issues outstanding. These issues included \$1,665,000 of general obligation bonds, \$775,000 of special assessment debt, and \$1,036,000 of other long-term debt. Cadillac has obtained a bond rating of an A- from Standard and Poor's for its general obligation issues and a rating of BBB+ for the revenue bonds. The City also received a rating of Baal from Moody's Investors Service for the revenue bond issues. The net bonded debt per capita equaled \$165.61, which increased from the 2004 figure of \$77.45. The increase was attributable to a \$995,000 capital improvement debt issue that the City undertook during the current fiscal year.

Cash Management: Cash temporarily idle during the year was invested in demand deposits and certificates of deposit. The investments follow the investment policy set by the City Council to maximize the return but at a reduced risk and concern for liquidity. Interest earned on idle funds increased from \$376,491 in 2004 to \$406,914 in 2005. This represents an increase in interest revenue of \$30,423. An upward trend in rates of return as well as a slight increase in funds available to invest contributed to the upswing in interest earnings for the year.

Risk Management: The City of Cadillac renegotiated an agreement with its current liability carrier. This arrangement allows the City to control insurance costs and safeguard against large single-year rate increases that can occur as a result of poor claims experience. However, aggressive risk control strategies, including an active safety training program and a recently adopted sidewalk inspection program have been employed to minimize losses and place the City in a favorable renewal posture. The City reviews its liability rates annually in order to secure the highest level of service at the most competitive rate.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of

Cadillac for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the twentieth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City of Cadillac published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2005. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including as a policy document, a financial plan, an operations guide, and a communications device. This award has been received twenty-one consecutive years.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



PETER D. STALKER,
CITY MANAGER



DALE M. WALKER,
DIRECTOR OF FINANCE

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cadillac,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

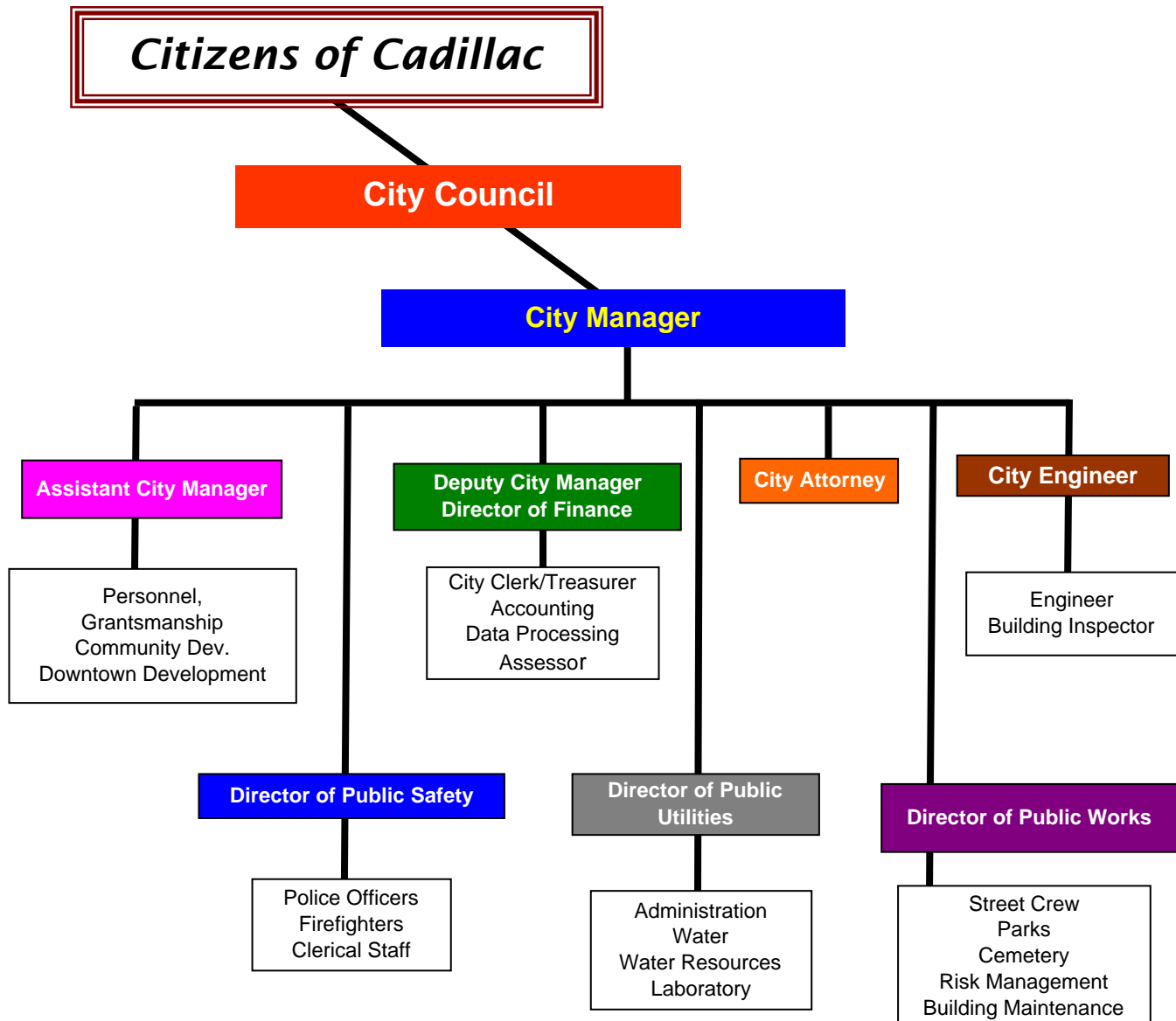
President

Jeffrey R. Emer

Executive Director

City of Cadillac Chart of Organization

2004-2005



134 WEST HARRIS STREET
CADILLAC, MICHIGAN 49601
231-775-9789
FAX: 231-775-9749

M. WAYNE BEATTIE, C.P.A.
1902 - 1990
JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

JOHN H. BISHOP, C.P.A.
ROBERT V. BEATTIE, C.P.A.
DOUGLAS P. McMULLEN, C.P.A.
JOHN F. TAYLOR, C.P.A.
STEVEN C. ARENDS, C.P.A.
SCOTT A. HUNTER, C.P.A.
JONATHAN E. DAMHOF, C.P.A.
MICHAEL D. COOL, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 6, 2005

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the accompanying financial statements of the governmental activities, the business – type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note H, the City has implemented a new financial reporting standard which has been issued by the Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as of July 1, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2005, on our consideration of the City of Cadillac, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages iii through xiv and budgetary comparison information on pages 67 through 69 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cadillac, Michigan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, and the schedule of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, other supplementary information and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

Management's Discussion and Analysis

The management of the City of Cadillac, Michigan ("the City") offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005 for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the City's financial activity. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the financial statements as a whole, which can be found in this report.

Financial Highlights

Government-Wide

- ❖ The assets of the City exceeded its liabilities at the close of this fiscal year by \$34.1 million (shown as *Net Assets*), representing an increase of \$152,941 over the previous fiscal year. Governmental Funds represented \$78,371 of this increase, while Business-Type activities accounted for \$74,570 of the increase.

Fund Level Financial Highlights

- ❖ As of June 30, 2005, the governmental funds of the City of Cadillac reported combined ending fund balances of \$5,949,007, of which \$3,752,664 is unreserved.
- ❖ The unreserved fund balance of the City's General Fund increased this year to \$1,159,268, or 21% of total general fund expenditures.

Long-Term Debt

- ❖ The City of Cadillac's total debt **increased** by \$86,000 during the fiscal year. A \$995,000 bond issue was passed to finance capital improvement projects.

Overview of the Financial Statements

The City of Cadillac's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements This report includes government-wide statements as required by GASB Statement Number 34. The *government-wide financial statements* are designed to provide a broad overview of the City's financial position. The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the City as a whole, and provide measurements of long-term trends. They are presented using a method of accounting that is similar to a private-sector business.

The *Statement of Net Assets* (Pages 1-2) presents information on all of the City's assets and liabilities, the difference between the two being reported as the Net Assets of the City. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the City is improving or deteriorating. An increase in net assets would indicate an

improvement in financial condition. On the other hand, a consistent decrease over time in net assets may indicate a decline in the financial health of an organization.

The *Statement of Activities* (Page 3) gives the information on the revenues and expenses causing the underlying change in the government's net assets during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows.

Both of these statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the City include general government, public safety, major and local streets, public works, culture and recreation. Business-type activities of the City include water and sewer utility services, an auto parking activity as well as the operation of a Building Authority.

Focus on Funds

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus has shifted, however, to Major Funds, rather than the previous focus on fund types. The City's major Governmental Funds include the General Fund, Major Street Fund, and Local Street Fund. The major Proprietary Funds include the Water & Sewer Fund, the Building Authority Operating Fund, and the Special Assessment Capital Projects Fund. Presentation of major funds can be found on Pages 70-110 of this document.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Each fund is operated similar to a completely separate entity, with its own set of balancing accounts. The City of Cadillac uses fund accounting to ensure compliance with finance-related legal requirements. There are three basic types of funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds Many of the City's basic services are reported in the governmental funds. Governmental funds account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This is known as the modified accrual system of accounting. Under this reporting system, capital items, debt payments and certain other items are treated differently than on the government-wide statements. These items are recorded in the governmental fund statements on the Statement of Revenues, Expenditures and Changes in Fund Balance as an expenditure. No depreciation is recorded on capital items. The balance sheet for governmental funds does not include any capital items or long-term debt. Governmental funds for the City include the General Fund as well as the special revenue, capital project, debt service and permanent funds.

Proprietary Funds Proprietary funds account for services for which the City charges its customers for the services they are provided. These charges can be to external customers or other agencies within the City. There are two types of proprietary funds:

- Enterprise funds are used to report business-like activities of the City. These activities intend to recover the full cost of the services through the fee charged to the customers. The City has three enterprise funds, which are the Water and Sewer Fund, the Auto Parking Fund, and the Building Authority Operating Fund.
- Internal Service funds are the second type of proprietary funds. These funds provide services to other departments within the City. These funds allow the City to allocate costs of centralized services such as the City's vehicle fleet and data processing services. The City has four internal service funds, including the Central Stores and Municipal Garage Fund, Data Processing Fund, Self-Insurance Fund and Safety Fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of the funds are not available for supporting the City's programs. These funds are accounted for using the full accrual method of accounting, much like the Proprietary funds.

Component Units The City's Comprehensive Annual Financial Report includes reporting on separate legal entities for which the City has some level of financial responsibility. These funds are shown in a separate column. The City's component units include the Downtown Development Authority, the Downtown Development Authority Capital Projects, the Local Development Finance Authority Operating, Debt Retirement and Utilities Funds, the Brownfield Redevelopment Authority Fund, and the Economic Development Corporation.

Notes to the Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a complete understanding of the information provided in both the government-wide and the fund financial statements. The notes can be found beginning on Page 27 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements. This information can be found beginning on Page 66 of this report.

Government-Wide Financial Analysis

The Statement of Net Assets is the first statement in the Government-Wide Financial Statements section of this document. This statement is useful for providing an indicator of the City's financial position over time. The Net Assets of the City are \$34,095,678 at June 30, 2005, meaning that the City's assets were greater than its liabilities by this amount. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. A comparison with the previous fiscal year is presented in order to show the change in Net Assets over the previous fiscal year.

City of Cadillac Net Assets

(amounts expressed in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------|------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Current and other assets | \$ 7,935 | \$ 7,820 | \$ 4,499 | \$ 4,499 | \$ 12,434 | \$ 12,319 |
| Capital Assets | 14,981 | 14,160 | 20,115 | 20,421 | 35,096 | 34,581 |
| Total Assets | \$ 22,916 | \$ 21,980 | \$ 24,614 | \$ 24,920 | \$ 47,530 | \$ 46,900 |
| Long-term liabilities | \$ 2,950 | \$ 2,229 | \$ 8,352 | \$ 8,776 | \$ 11,302 | \$ 11,005 |
| Other liabilities | 1,242 | 1,239 | 890 | 847 | 2,132 | 2,086 |
| Total Liabilities | \$ 4,192 | \$ 3,468 | \$ 9,242 | \$ 9,623 | \$ 13,434 | \$ 13,091 |
| Net Assets | | | | | | |
| Invested in capital assets | | | | | | |
| net of related debt | 11,980 | 11,190 | 11,317 | 11,219 | 23,297 | 22,409 |
| Restricted | 457 | 495 | 2,048 | 1,964 | 2,505 | 2,459 |
| Unrestricted | 6,287 | 6,826 | 2,007 | 2,114 | 8,294 | 8,940 |
| Total Net Assets | \$ 18,724 | \$ 18,511 | \$ 15,372 | \$ 15,297 | \$ 34,096 | \$ 33,808 |

The most significant portion of the City's Net Assets is the investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others), less any related debt that is outstanding that the City used to acquire or construct the asset. The City has \$8,294,100 in unrestricted Net Assets. These assets represent resources that are available for appropriation, but are limited by City policies regarding their use.

The total net assets of the City increased \$152,941 in this fiscal year, which is a good indicator that the City experienced positive financial growth during the year. As a result, the City ended the fiscal year in better condition than when the year started.

The following table illustrates and summarizes the results of the changes in the Net Assets for the City. The condensed information was derived from the Government-wide Statement of Activities.

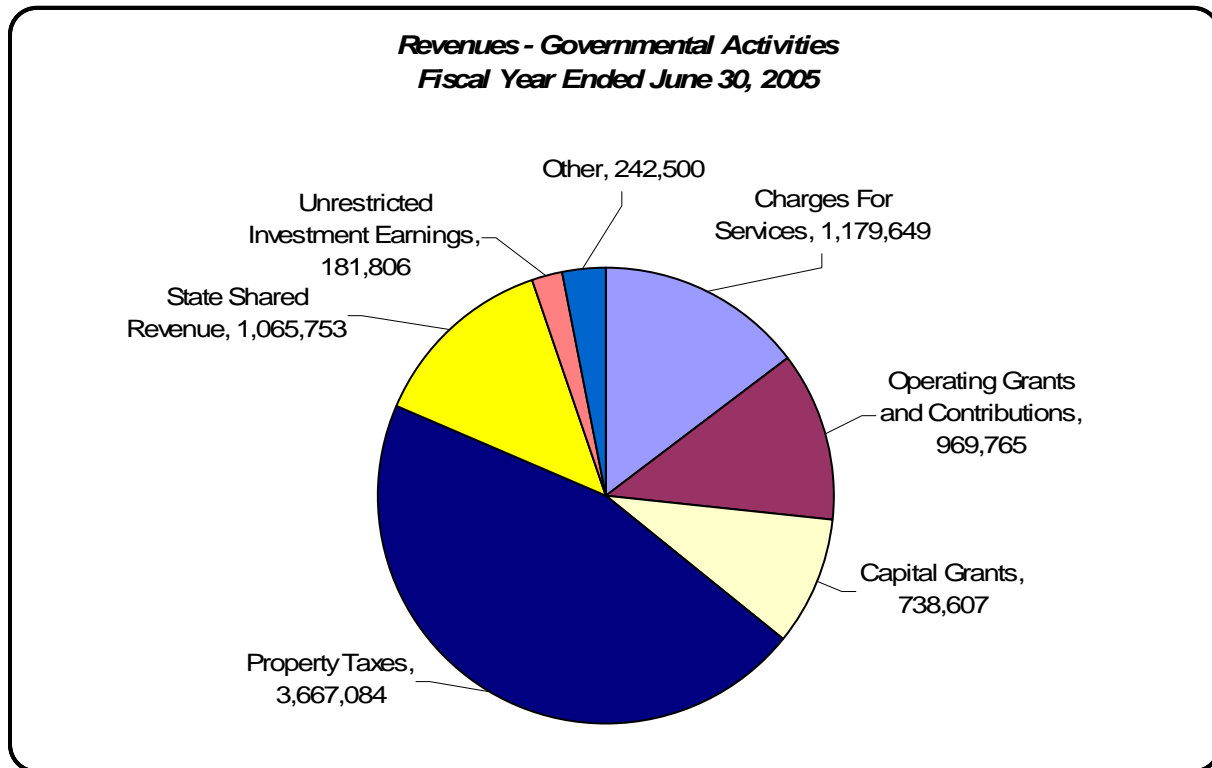
City of Cadillac
Change in Net Assets

(amounts expressed in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|------------------------------------|------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 1,180 | \$ 1,172 | \$ 3,637 | \$ 3,498 | \$ 4,817 | \$ 4,670 |
| Operating Grants and Contributions | 969 | 1,072 | 14 | | 983 | 1,072 |
| Capital Grants | 739 | 905 | | 213 | 739 | 1,118 |
| General Revenues | | | | | | |
| Property Taxes and Assessments | 3,667 | 3,547 | | | 3,667 | 3,547 |
| State Shared Revenue | 1,066 | 1,147 | | | 1,066 | 1,147 |
| Unrestricted Investment Earnings | 182 | 135 | 90 | 66 | 272 | 201 |
| Other | 242 | 6 | | (36) | 242 | (30) |
| Total Revenues | \$ 8,045 | \$ 7,984 | \$ 3,741 | \$ 3,741 | \$ 11,786 | \$ 11,725 |
| Expenses | | | | | | |
| General Government, Administrative | \$ 1,695 | \$ 1,672 | | | \$ 1,695 | \$ 1,672 |
| Public Safety | 3,322 | 2,908 | | | 3,322 | 2,908 |
| Public Works | 2,300 | 2,340 | | | 2,300 | 2,340 |
| Recreation and Culture | 285 | 214 | | | 285 | 214 |
| Redevelopment and Housing | 119 | 56 | | | 119 | 56 |
| Economic Development/Assistance | 85 | 268 | | | 85 | 268 |
| Intergovernmental Expenditures | 100 | 97 | | | 100 | 97 |
| Interest on Long-Term Debt | 61 | 176 | | | 61 | 176 |
| Water and Sewer | | | 3,473 | 3,312 | 3,473 | 3,312 |
| Automobile Parking System | | | 143 | 144 | 143 | 144 |
| Building Authority Operating | | | 50 | 48 | 50 | 48 |
| Total Expenses | \$ 7,967 | \$ 7,731 | \$ 3,666 | \$ 3,504 | \$ 11,633 | \$ 11,235 |
| Changes in Net Assets | \$ 78 | \$ 253 | \$ 75 | \$ 237 | \$ 153 | \$ 490 |
| Beginning Net Assets | 18,645 | 18,392 | 15,297 | 15,060 | 33,942 | 33,452 |
| Ending Net Assets | <u>\$ 18,723</u> | <u>\$ 18,645</u> | <u>\$ 15,372</u> | <u>\$ 15,297</u> | <u>\$ 34,095</u> | <u>\$ 33,942</u> |

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2005:

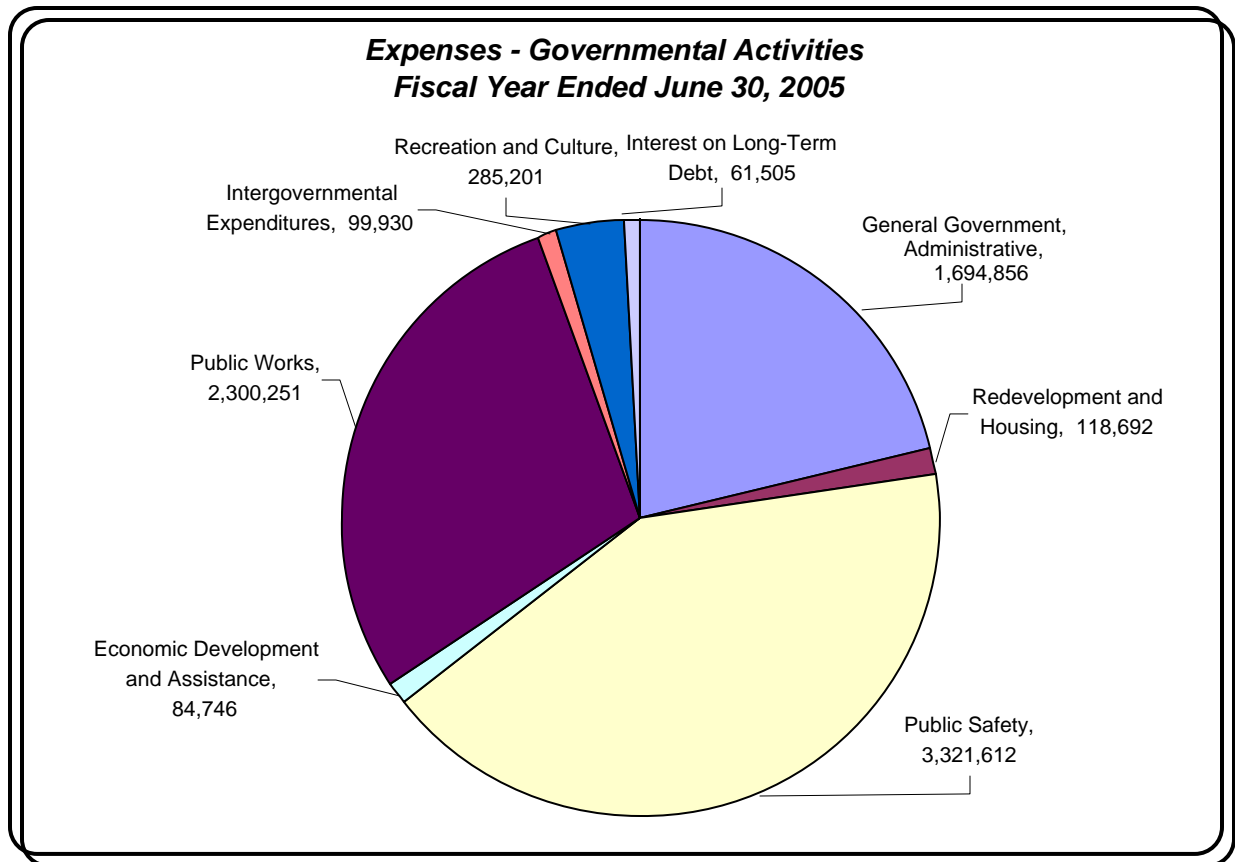


Governmental activities accounted for a total of \$8,045,164 in revenue for the fiscal year. The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (45.6%). This figure includes property tax levies as well as assessments on properties that are used for debt service on the City's special assessment debt. The City's operating millage remained the same in 2004 at 13.9473 mills. The City's charter allows the City to levy up to 15 mills for operations. Due to State statutes, the City is currently at its maximum tax levy, and can only raise the levy to the charter maximum with the approval of the voters.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes. In 2005, the amount of state shared revenue received by the City once again trended downward, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

Capital Grants represents grant dollars - whether federal, state, or local - that the City has secured in order to assist in capital asset construction and infrastructure improvement within the City. During this fiscal year, these grants helped the City with the completion of a number of street construction projects.

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2005:



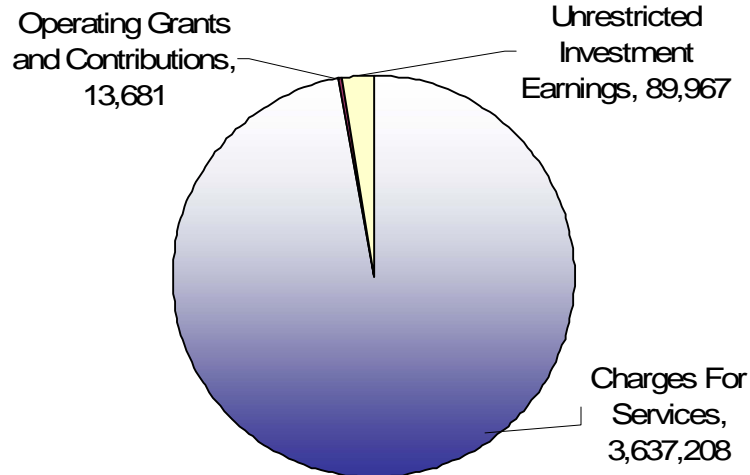
The City's governmental activities expenses are dominated by the Public Safety expenses that total 41.7% of total expenses of nearly \$8 million. The City spent \$3.3 million in FY2005 on Public Safety. Public Works represented the next largest expense at \$2.3 million, or 28.9% of total expenses within the governmental activities. Expenses in the Major Street Fund (\$1,219,227) and Local Street Fund (\$822,829) represent a majority of the Public Works expenditures.

Business-Type Activities

The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for an increase of \$74,570 in the City's Net Assets, or about 49% of the total growth in the City's net assets for the fiscal year ended June 30, 2005.

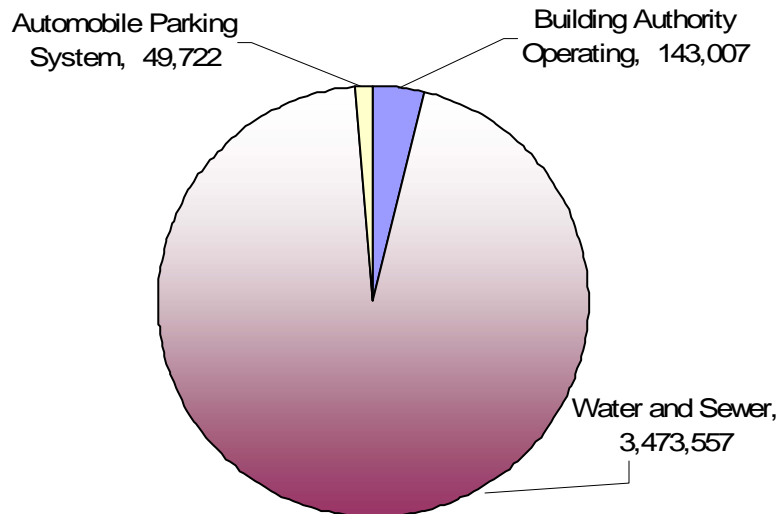
The Business-type activities of the City include the Water and Sewer Fund, which provides water and sewer utility services to City residents as well as commercial customers, the Auto Parking Fund, which maintains City-owned parking lots, and the Building Authority Operating Fund, which manages the operation of a commercial office facility, currently being rented by the Michigan Department of Environmental Quality.

Revenues by Source - Business Type Activities
Fiscal Year Ended June 30, 2005



The Water and Sewer activity represents a significant portion of the business-type activities of the City. This activity accounts for 94.7% of the total expenses and 91.1% of the total revenue of the business-type activities.

Expenses by Function - Business Type Activities
Fiscal Year Ended June 30, 2005



Financial Analysis of the Government's Funds

Governmental Activities At the completion of the City's fiscal year ended June 30, 2005, its governmental funds reported fund balances of \$5,949,007. Of this amount, \$3,752,664, or 63% is unreserved. This amount includes \$825,833 designated for street improvements, \$952,305 designated for working capital, and \$187,457 designated to cover sick and vacation time that has accrued on behalf of the City's employees but has not yet been taken. An additional \$1,767,563 of unreserved and undesignated fund balance exists in the City's Special Revenue funds. The remaining \$2,196,343 of fund balance of the governmental funds is reserved for specific purposes and is therefore not available for new appropriation.

General Fund – The General Fund is the main operating fund of the City. The General Fund experienced an overall reduction in its fund balance of \$58,458, due in large part to the construction of two new parks facilities, the Chris Blackburn Skate Park and the Kris Eggle Memorial Fountain. These two projects brought total Capital Outlay for the Parks department to \$229,787. The current year reduction reduced the ending fund balance to \$1,302,489. However, unreserved fund balance increased by \$136,656. All of the General Fund's major functions with the exception of Culture and Recreation and Intergovernmental Expenditures ended the year with expenditures below appropriated amounts. The capital projects completed in the Parks Department caused this function to exceed appropriations. However, the projects were funded nearly in full by grant dollars. In the Intergovernmental Expenditures function there was an overage in Housing Commission expenditures. Interest income for the General Fund increased by \$15,754, or nearly 60% over the previous fiscal year, due primarily to improving market conditions producing greater rates of return on invested cash. Property tax revenues in the General Fund increased \$126,051 in 2005, an increase of 3.5%. State shared revenue decreased by \$48,969 from the amount received in the previous fiscal year, representing a 4.4% reduction which resulted from State actions in response to the economic slowdown experienced throughout the State.

Major Street Fund – The Major Street Fund completed \$750,155 in street improvements in this fiscal year. Major projects for the year included Harris Street, South Street, and Linden Street. The fund balance of the Major Street Fund ended the year at \$431,631, an increase of \$102,458 from the previous year. Proceeds from the issuing of bonds increased the fund balance for this year, and these funds will be used to fund the current year's projects.

Local Street Fund – The Local Street Fund completed \$344,895 in street construction and improvements in this fiscal year. The major share of this amount came from Selma Street, Chapin Street and Cobb Street improvements. The fund balance of the fund ended \$390,575 higher than the previous year. Similar to the Major Street Fund, the 2004 Capital Improvement Bonds issue was the source of this increase, and these funds will be used to fund construction in the current fiscal year.

Special Assessment Capital Projects Fund – This fund tracks street construction projects. Any specially assessed projects that are funded by Special Assessment debt are accounted for in this fund. This fund accounted for construction costs of \$111,473 to improve Cobb Street in 2005.

Debt service payments amounted to \$48,299, which paid down a loan previously secured by fund construction projects.

Proprietary Funds The City's proprietary funds provide virtually the same information as the government-wide statements; however more detail may be found in the fund financial statements.

Water and Sewer Fund – The Water and Sewer Fund ended this fiscal year with \$1,871,372 in unrestricted net assets. All Water and Sewer rates were increased by 3% for this fiscal year. This rate increase and other fluctuations in usage yielded an overall increase in operating revenues from \$3,258,542 in 2004 to \$3,395,081 in 2005, a 4.2% increase. The fund saw an increase in interest income of \$22,996, or 37% from the previous fiscal year. The net assets of the fund decreased \$23,001, mostly attributable to upgrades and repairs to the system. This fund remains in sound fiscal condition moving forward.

Building Authority Operating Fund – The Building Authority Operating Fund saw its net assets increase in this fiscal year by \$56,139. Rental income from the Michigan Department of Environmental Quality totaled \$195,870, which holds steady from year to year in accordance with the City's lease with the State of Michigan.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for the governmental and business-type activities as of June 30, 2005 amounted to \$35,095,708 (net of accumulated depreciation). Capital assets of the City include any items purchased that cost in excess of \$5,000 and have an expected useful life greater than one year. The City has invested in a broad range of capital assets, as detailed below:

City of Cadillac
Capital Assets as of June 30, 2005
(amounts expressed in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|-----------------------------------|------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Infrastructure | 14,323 | 13,228 | | | 14,323 | 13,228 |
| Land and Land Improvements | 3,378 | 3,300 | 1,029 | 1,029 | 4,407 | 4,329 |
| Buildings | 4,322 | 4,234 | 2,641 | 2,625 | 6,963 | 6,859 |
| Improvements other than Buildings | | | 27,376 | 27,026 | 27,376 | 27,026 |
| Machinery and Equipment | 3,786 | 3,376 | 1,247 | 1,143 | 5,033 | 4,519 |
| Subtotal | \$ 25,809 | \$ 24,138 | \$ 32,293 | \$ 31,823 | \$ 58,102 | \$ 55,961 |
| Construction in Progress | 0 | 11 | 115 | 75 | 115 | 86 |
| Accumulated Depreciation | (10,828) | (9,855) | (12,293) | (11,477) | (23,121) | (21,332) |
| Net Capital Assets | \$ 14,981 | \$ 14,294 | \$ 20,115 | \$ 20,421 | \$ 35,096 | \$ 34,715 |

Major capital asset events during FY2005 included the following:

- The first phase of the Chris Blackburn Skate Park was completed at a total cost of \$96,895.
- A Fire Safety House was purchased for \$39,934.
- A memorial fountain was built in the City Park for \$106,763.
- A number of street improvement projects were completed, including Harris Street, Linden Street, South Street, Cobb Street, and Chapin Street. Over \$1 million of street construction and improvement took place in this fiscal year.
- A police patrol car was replaced at a cost of \$18,394.
- A portion of the road through Maple Hill Cemetery was repaved for \$30,000.
- The Meter Replacement Program continued in the Utilities Department, with \$56,363 of meter replacement costs incurred.
- Two water wells were rebuilt at a cost of \$37,024.
- A new street sweeper was purchased for \$115,370.
- A new tractor was purchased for the Street Department at a cost of \$45,000.
- The Computer Replacement Program was continued, with \$22,888 of new technology purchases made during the year.

Additional information regarding the City's capital assets can be found in the Notes to Financial Statements section on Page 34 and Pages 40-42.

Long-Term Debt. As of June 30, 2005, the City had total bonded debt outstanding of \$12,391,000. Of this amount, \$1,665,000 comprises debt backed by the full faith and credit of the City, while \$775,000 is special assessment debt for which the City is liable only in the event of default by the property owners subject to assessment. The remainder of the City's debt represents bonds secured solely by specified revenue sources. The majority of the revenue bonds are associated with the Water and Sewer Fund (\$7,640,000), are backed by revenues from the Water and Sewer system, and have been used to finance major capital projects within the Water and Sewer systems.

***City of Cadillac Outstanding Debt
General Obligation and Revenue Bonds
as of June 30, 2005***

(amounts expressed in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| General Obligation Bonds | \$ 1,665 | \$ 785 | | | \$ 1,665 | \$ 785 |
| Special Assessment Debt with governmental commitment | 775 | 925 | | | 775 | 925 |
| Contracts and Notes | 1,036 | 1,255 | | | 1,036 | 1,255 |
| Revenue Bonds | | | 8,915 | 9,340 | 8,915 | 9,340 |
| Total | \$ 3,476 | \$ 2,965 | \$ 8,915 | \$ 9,340 | \$ 12,391 | \$ 12,305 |

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation based on the City's assessed valuation of \$229,508,673 is \$22,950,867, which is significantly in excess of the City's outstanding general obligation debt of \$1,665,000.

The City had one new bond issue in this fiscal year, the 2004 General Obligation Capital Improvements Bonds. The proceeds from this \$995,000 bond issue are earmarked for capital improvement projects beginning in 2004 and extending through 2006. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on Pages 45-50.

Economic Condition and Outlook

The City saw its unemployment rate decrease this year from 8.2% a year ago to 6.1% as of August 31, 2005. For the first time in recent history, this rate fell below the statewide unemployment rate of 6.4%, which is also down from 6.7% last year. This indicates improving local job markets, especially in relation to what is happening throughout the state.

More information regarding the economic outlook of the City can be found in the Transmittal Letter on Pages I-VI of this document.

Contacting the City's Finance Department

This financial report is designed to provide the wide variety of users of this document with a general overview of the City's finances and demonstrate the City's accountability for the money entrusted to it. If you have any questions regarding this report or need additional financial information, please direct your requests to the City of Cadillac, Finance Director, 200 N. Lake Street, Cadillac, MI 49601, or call us at (231) 775-0181.

CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2005

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS |
|---------------------------------------|----------------------------|--------------------------------|---------------|--------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS TYPE ACTIVITIES | TOTALS | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 1,564,161 | \$ 892,853 | \$ 2,457,014 | \$ 715,492 |
| Investments | 4,420,368 | 2,586,131 | 7,006,499 | 1,739,047 |
| Receivables | | | | |
| Taxes | 7,019 | 0 | 7,019 | 119 |
| Accounts | 124,576 | 254,853 | 379,429 | 3,042 |
| Unbilled Services | 0 | 292,508 | 292,508 | 0 |
| Cylinder Deposits | 0 | 10,500 | 10,500 | 0 |
| Mortgages and Notes | 509,430 | 0 | 509,430 | 0 |
| Accrued Interest | 98,249 | 36,988 | 135,237 | 30,049 |
| Special Assessments | 781,070 | 0 | 781,070 | 0 |
| External Parties (Fiduciary Funds) | 49,552 | 8,715 | 58,267 | 0 |
| Internal Balances | (93,940) | 93,940 | 0 | 0 |
| Due from Other Governments | 403,939 | 7,048 | 410,987 | 21,492 |
| Inventory | 49,478 | 192,687 | 242,165 | 0 |
| Prepaid Expenses | 845 | 0 | 845 | 0 |
| | | | | |
| Total Current Assets | \$ 7,914,747 | \$ 4,376,223 | \$ 12,290,970 | \$ 2,509,241 |
| | | | | |
| <u>CAPITAL ASSETS</u> | | | | |
| Land and Land Improvements | \$ 3,378,296 | \$ 1,028,223 | \$ 4,406,519 | \$ 8,965 |
| Buildings | 4,321,872 | 2,641,498 | 6,963,370 | 0 |
| Improvements Other than Buildings | 0 | 27,375,834 | 27,375,834 | 214,812 |
| Machinery and Equipment | 3,785,591 | 1,247,189 | 5,032,780 | 0 |
| Infrastructure | 14,323,333 | 0 | 14,323,333 | 0 |
| Construction Work in Progress | 0 | 114,984 | 114,984 | 0 |
| | | | | |
| | \$ 25,809,092 | \$ 32,407,728 | \$ 58,216,820 | \$ 223,777 |
| Less Accumulated Depreciation | 10,827,871 | 12,293,241 | 23,121,112 | 46,274 |
| Net Capital Assets | \$ 14,981,221 | \$ 20,114,487 | \$ 35,095,708 | \$ 177,503 |
| | | | | |
| <u>OTHER ASSETS</u> | | | | |
| Deferred Charge - Bond Issuance Costs | \$ 19,610 | \$ 123,231 | \$ 142,841 | \$ 0 |
| | | | | |
| TOTAL ASSETS | \$ 22,915,578 | \$ 24,613,941 | \$ 47,529,519 | \$ 2,686,744 |

The accompanying notes are an integral part of the financial statements.

| | PRIMARY GOVERNMENT | | | |
|---|--------------------|---------------|---------------|--------------|
| | GOVERNMENTAL | BUSINESS | | COMPONENT |
| | ACTIVITIES | TYPE | TOTALS | UNITS |
| | ACTIVITIES | ACTIVITIES | | |
| <u>LIABILITIES</u> | | | | |
| <u>CURRENT LIABILITIES</u> | | | | |
| Accounts Payable | \$ 338,039 | \$ 105,005 | \$ 443,044 | \$ 23,825 |
| Security Deposit Payable | 1,086 | 0 | 1,086 | 0 |
| Accrued Expenses | 127,517 | 196,079 | 323,596 | 1,251 |
| Accrued Interest | 32,900 | 139,296 | 172,196 | 0 |
| Other Post Employment Benefits Liability | 176,759 | 0 | 176,759 | 0 |
| Due to Other Governments | 19,456 | 2,035 | 21,491 | 45,332 |
| Utility Deposits | 0 | 2,289 | 2,289 | 0 |
| Current Portion of Long-Term Debt | 525,494 | 445,000 | 970,494 | 4,314 |
| Deferred Revenue | 20,286 | 0 | 20,286 | 30,161 |
| Total Current Liabilities | \$ 1,241,537 | \$ 889,704 | \$ 2,131,241 | \$ 104,883 |
| <u>LONG-TERM LIABILITIES</u> | | | | |
| Revenue Bonds | | | | |
| (Net of Deferred Refunding Amount) | \$ 0 | \$ 8,797,306 | \$ 8,797,306 | \$ 0 |
| General Obligation Bonds | 1,665,000 | 0 | 1,665,000 | 0 |
| Special Assessment Bonds | 775,000 | 0 | 775,000 | 0 |
| Notes Payable | 519,653 | 0 | 519,653 | 0 |
| Contracts Payable | 41,500 | 0 | 41,500 | 0 |
| Accrued Compensated Sick and Vacation | 474,634 | 0 | 474,634 | 4,314 |
| Less: Current Portion | (525,494) | (445,000) | (970,494) | (4,314) |
| Total Long-Term Liabilities | \$ 2,950,293 | \$ 8,352,306 | \$ 11,302,599 | \$ 0 |
| TOTAL LIABILITIES | \$ 4,191,830 | \$ 9,242,010 | \$ 13,433,840 | \$ 104,883 |
| <u>EQUITY</u> | | | | |
| Net Assets: | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 11,980,068 | \$ 11,317,181 | \$ 23,297,249 | \$ 177,503 |
| Restricted for Debt Service | 0 | 1,792,021 | 1,792,021 | 0 |
| Restricted for Ground Water Cleanup | 0 | 0 | 0 | 1,570,631 |
| Restricted for Life Insurance | 128,996 | 50,289 | 179,285 | 0 |
| Restricted for Employees' Life and Health Insurance | 316,467 | 205,692 | 522,159 | 0 |
| Restricted for Special Purposes | 10,865 | 0 | 10,865 | 0 |
| Unrestricted | 6,287,352 | 2,006,748 | 8,294,100 | 833,727 |
| TOTAL NET ASSETS | \$ 18,723,748 | \$ 15,371,931 | \$ 34,095,679 | \$ 2,581,861 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS | | | | |
|--|---------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|-----------------|--|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | PRIMARY GOVERNMENT | | | COMPONENT UNITS | |
| | | | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTALS | | |
| <u>PRIMARY GOVERNMENT</u> | | | | | | | | | |
| <u>GOVERNMENTAL ACTIVITIES</u> | | | | | | | | | |
| General Government, Administrative | \$ 1,694,856 | \$ 416,604 | \$ 68,232 | \$ 0 | \$ (1,210,020) | \$ 0 | \$ (1,210,020) | \$ 0 | |
| Public Safety | 3,321,612 | 374,193 | 3,444 | 34,398 | (2,909,577) | 0 | (2,909,577) | 0 | |
| Public Works | 2,300,251 | 388,852 | 898,089 | 505,084 | (508,226) | 0 | (508,226) | 0 | |
| Recreation and Culture | 285,201 | 0 | 0 | 161,125 | (124,076) | 0 | (124,076) | 0 | |
| Redevelopment and Housing | 118,692 | 0 | 0 | 0 | (118,692) | 0 | (118,692) | 0 | |
| Economic Development and Assistance | 84,746 | 0 | 0 | 38,000 | (46,746) | 0 | (46,746) | 0 | |
| Intergovernmental Expenses | 99,930 | 0 | 0 | 0 | (99,930) | 0 | (99,930) | 0 | |
| Interest on Long-Term Debt | 61,505 | 0 | 0 | 0 | (61,505) | 0 | (61,505) | 0 | |
| Total Governmental Activities | \$ 7,966,793 | \$ 1,179,649 | \$ 969,765 | \$ 738,607 | \$ (5,078,772) | \$ 0 | \$ (5,078,772) | \$ 0 | |
| <u>BUSINESS-TYPE ACTIVITIES</u> | | | | | | | | | |
| Water and Sewer System | \$ 3,473,557 | \$ 3,395,081 | \$ 13,681 | \$ 0 | \$ 0 | \$ (64,795) | \$ (64,795) | \$ 0 | |
| Building Authority Operating | 143,007 | 195,870 | 0 | 0 | 0 | 52,863 | 52,863 | 0 | |
| Automobile Parking System | 49,722 | 46,257 | 0 | 0 | 0 | (3,465) | (3,465) | 0 | |
| Total Business-Type Activities | \$ 3,666,286 | \$ 3,637,208 | \$ 13,681 | \$ 0 | \$ 0 | \$ (15,397) | \$ (15,397) | \$ 0 | |
| TOTAL PRIMARY GOVERNMENT | \$ 11,633,079 | \$ 4,816,857 | \$ 983,446 | \$ 738,607 | \$ (5,078,772) | \$ (15,397) | \$ (5,094,169) | \$ 0 | |
| <u>COMPONENT UNITS</u> | | | | | | | | | |
| Local Development Finance Authority | \$ 357,143 | \$ 16,192 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (340,951) | |
| Non-Major Component Units | 179,075 | 0 | 10,756 | 0 | 0 | 0 | 0 | \$ (168,319) | |
| TOTAL COMPONENT UNITS | \$ 536,218 | \$ 16,192 | \$ 10,756 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (509,270) | |
| <u>GENERAL REVENUES</u> | | | | | | | | | |
| Property Taxes | | | | | \$ 3,667,084 | \$ 0 | \$ 3,667,084 | \$ 1,072,718 | |
| State Shared Revenue - Unrestricted | | | | | 1,065,753 | 0 | 1,065,753 | 0 | |
| Investment Earnings - Unrestricted | | | | | 181,806 | 89,967 | 271,773 | 77,870 | |
| Gain on Sale of Capital Assets | | | | | 15,847 | 0 | 15,847 | 0 | |
| Other | | | | | 14,000 | 0 | 14,000 | 5,000 | |
| <u>SPECIAL ITEMS</u> | | | | | | | | | |
| Loan conversion to grant | | | | | 212,653 | 0 | 212,653 | 0 | |
| Total General Revenues and Special Items | | | | | \$ 5,157,143 | \$ 89,967 | \$ 5,247,110 | \$ 1,155,588 | |
| Change in Net Assets | | | | | \$ 78,371 | \$ 74,570 | \$ 152,941 | \$ 646,318 | |
| <u>NET ASSETS</u> - Beginning of Year | | | | | 18,645,377 | 15,297,361 | 33,942,738 | 1,935,543 | |
| <u>NET ASSETS</u> - End of Year | | | | | \$ 18,723,748 | \$ 15,371,931 | \$ 34,095,679 | \$ 2,581,861 | |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2005

| | GENERAL FUND | MAJOR STREET | LOCAL STREET | SPECIAL ASSESSMENT CAPITAL PROJECTS | NON- MAJOR FUNDS | TOTALS |
|----------------------------|---------------------|-------------------|-------------------|--|------------------------|---------------------|
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 369,086 | \$ 89,615 | \$ 98,834 | \$ 25,328 | \$ 858,152 | \$ 1,441,015 |
| Investments | 502,987 | 457,164 | 327,084 | 0 | 2,759,565 | 4,046,800 |
| Receivables | | | | | | |
| Taxes | 7,019 | 0 | 0 | 0 | 0 | 7,019 |
| Accounts | 113,930 | 0 | 0 | 0 | 2,422 | 116,352 |
| Mortgages and Notes | 209,610 | 0 | 0 | 0 | 299,820 | 509,430 |
| Accrued Interest | 5,802 | 7,995 | 3,903 | 19,982 | 51,997 | 89,679 |
| Special Assessments | | | | | | |
| Current | 0 | 0 | 0 | 42,265 | 90,346 | 132,611 |
| Deferred | 0 | 0 | 0 | 310,358 | 338,101 | 648,459 |
| Due from Other Funds | 675,886 | 0 | 9,577 | 326,956 | 214,877 | 1,227,296 |
| Due from Other Governments | 239,122 | 97,716 | 32,667 | 2,511 | 31,923 | 403,939 |
| Inventory, At Cost | 3,222 | 0 | 0 | 0 | 0 | 3,222 |
| Prepaid Expenditures | 845 | 0 | 0 | 0 | 0 | 845 |
| TOTAL ASSETS | <u>\$ 2,127,509</u> | <u>\$ 652,490</u> | <u>\$ 472,065</u> | <u>\$ 727,400</u> | <u>\$ 4,647,203</u> | <u>\$ 8,626,667</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | | | | | | |
|--------------------------|-------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| Accounts Payable | \$ 129,913 | \$ 14,153 | \$ 2,929 | \$ 131,372 | \$ 10,511 | \$ 288,878 |
| Security Deposit Payable | 0 | 0 | 0 | 0 | 1,086 | 1,086 |
| Accrued Expenditures | 69,357 | 6,720 | 3,930 | 0 | 2,392 | 82,399 |
| Due to Other Funds | 391,533 | 199,986 | 71,004 | 249,471 | 210,634 | 1,122,628 |
| Due to Other Governments | 17,505 | 0 | 0 | 0 | 1,951 | 19,456 |
| Deferred Revenue | 216,712 | 0 | 0 | 310,358 | 636,143 | 1,163,213 |
| Total Liabilities | <u>\$ 825,020</u> | <u>\$ 220,859</u> | <u>\$ 77,863</u> | <u>\$ 691,201</u> | <u>\$ 862,717</u> | <u>\$ 2,677,660</u> |

The accompanying notes are an integral part of the financial statements.

| | GENERAL FUND | MAJOR STREET | LOCAL STREET | SPECIAL ASSESSMENT CAPITAL PROJECTS | NON- MAJOR FUNDS | TOTALS |
|---------------------------------------|---------------------|-------------------|-------------------|--|------------------------|---------------------|
| <u>FUND BALANCE</u> | | | | | | |
| Reserved for: | | | | | | |
| Inventory | \$ 3,222 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 3,222 |
| Prepaid Expenditures | 845 | 0 | 0 | 0 | 0 | 845 |
| Pistol Range | 2,272 | 0 | 0 | 0 | 0 | 2,272 |
| Antique Fire Truck | 2,059 | 0 | 0 | 0 | 0 | 2,059 |
| Veterans Memorial | 1,855 | 0 | 0 | 0 | 0 | 1,855 |
| Youth Services | 844 | 0 | 0 | 0 | 0 | 844 |
| Drug Forfeiture | 2,596 | 0 | 0 | 0 | 0 | 2,596 |
| Fire Truck | 126,002 | 0 | 0 | 0 | 0 | 126,002 |
| Fire Safety House | 2,250 | 0 | 0 | 0 | 0 | 2,250 |
| Blackburn Skate Park | 1,261 | 0 | 0 | 0 | 0 | 1,261 |
| Say Nay to Drugs | 15 | 0 | 0 | 0 | 0 | 15 |
| Capital Improvements | 0 | 0 | 0 | 36,199 | 861,630 | 897,829 |
| Cemetery Perpetual Care | 0 | 0 | 0 | 0 | 459,532 | 459,532 |
| Debt Service | 0 | 0 | 0 | 0 | 673,491 | 673,491 |
| Other Purposes | 0 | 0 | 0 | 0 | 22,270 | 22,270 |
| Unreserved: | | | | | | |
| Designated for: | | | | | | |
| Street Improvements | 0 | 431,631 | 394,202 | 0 | 0 | 825,833 |
| Sick and Vacation | 187,457 | 0 | 0 | 0 | 0 | 187,457 |
| Working Capital | 952,305 | 0 | 0 | 0 | 0 | 952,305 |
| Tax Tribunal | 19,506 | 0 | 0 | 0 | 0 | 19,506 |
| Undesignated, Reported in Nonmajor: | | | | | | |
| Special Revenue Funds | 0 | 0 | 0 | 0 | 1,767,563 | 1,767,563 |
| Total Fund Balance | <u>\$ 1,302,489</u> | <u>\$ 431,631</u> | <u>\$ 394,202</u> | <u>\$ 36,199</u> | <u>\$ 3,784,486</u> | <u>\$ 5,949,007</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 2,127,509</u> | <u>\$ 652,490</u> | <u>\$ 472,065</u> | <u>\$ 727,400</u> | <u>\$ 4,647,203</u> | <u>\$ 8,626,667</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Amounts Reported for Governmental Activities in the
Statement of Net Assets are Different Because:

| | | | |
|---|----|--------------------|----------------------|
| Total Fund Balances for Governmental Funds | | \$ | 5,949,007 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | | |
| Land | \$ | 2,545,018 | |
| Land Improvements | | 741,986 | |
| Buildings | | 3,921,667 | |
| Equipment | | 1,518,492 | |
| Infrastructure | | 14,323,333 | |
| Accumulated Depreciation | | <u>(9,178,862)</u> | 13,871,634 |
| Bond issuance costs are reported as expenditures in the governmental fund. | | | 19,610 |
| Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds. | | | |
| Special Assessment Receivables | \$ | 648,459 | |
| Personal Property Taxes Receivable | | 5,038 | |
| Deferred Revenue - Loans Receivable | | <u>489,430</u> | 1,142,927 |
| Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. | | | 1,426,016 |
| Governmental liabilities for other post employment benefits are not due and payable in the current period and therefore are not reported in the funds. | | | (176,759) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | | | |
| General Obligation Bonds Payable | \$ | (1,665,000) | |
| Special Assessment Bonds Payable | | (775,000) | |
| Notes Payable | | (519,653) | |
| Contracts Payable | | (41,500) | |
| Accrued Interest Payable | | (32,900) | |
| Compensated Absences | | <u>(474,634)</u> | (3,508,687) |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | | | <u>\$ 18,723,748</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | GENERAL FUND | MAJOR STREET | LOCAL STREET | SPECIAL ASSESSMENT CAPITAL PROJECTS | NON- MAJOR FUNDS | TOTALS |
|--|-----------------|-----------------|-----------------|--|------------------------|--------------|
| <u>REVENUES</u> | | | | | | |
| Taxes | \$ 3,638,553 | \$ 0 | \$ 0 | \$ 82,832 | \$ 130,609 | \$ 3,851,994 |
| Licenses and Permits | 1,160 | 0 | 0 | 0 | 0 | 1,160 |
| Federal Grants | 101,176 | 413,982 | 0 | 0 | 36,000 | 551,158 |
| State Grants | 1,112,128 | 660,966 | 202,872 | 0 | 0 | 1,975,966 |
| Contributions from Local Units | 179,443 | 79,259 | 0 | 0 | 31,923 | 290,625 |
| Charges for Services | 818,018 | 0 | 0 | 0 | 103,913 | 921,931 |
| Fines and Forfeits | 35,306 | 0 | 0 | 0 | 0 | 35,306 |
| Interest and Rents | 44,612 | 12,239 | 6,360 | 20,928 | 164,938 | 249,077 |
| Gain (Loss) on Investments | 0 | 0 | 0 | 0 | 28,978 | 28,978 |
| Other Revenue | 228,587 | 2,467 | 0 | 0 | 119,570 | 350,624 |
| Total Revenues | \$ 6,158,983 | \$ 1,168,913 | \$ 209,232 | \$ 103,760 | \$ 615,931 | \$ 8,256,819 |
| <u>EXPENDITURES</u> | | | | | | |
| General Government | \$ 1,516,972 | \$ 0 | \$ 0 | \$ 0 | \$ 157,879 | \$ 1,674,851 |
| Public Safety | 3,046,227 | 0 | 0 | 0 | 85,887 | 3,132,114 |
| Public Works | 603,751 | 1,213,340 | 804,854 | 0 | 0 | 2,621,945 |
| Culture and Recreation | 412,427 | 0 | 0 | 0 | 6,500 | 418,927 |
| Redevelopment and Housing | 0 | 0 | 0 | 0 | 119,110 | 119,110 |
| Economic Development and Assistance | 35,177 | 0 | 0 | 0 | 38,351 | 73,528 |
| Capital Outlay | 0 | 0 | 0 | 113,916 | 8,843 | 122,759 |
| Debt Service | 0 | 5,887 | 17,975 | 48,299 | 378,116 | 450,277 |
| Intergovernmental Expenditures | 306,387 | 0 | 0 | 0 | 0 | 306,387 |
| Total Expenditures | \$ 5,920,941 | \$ 1,219,227 | \$ 822,829 | \$ 162,215 | \$ 794,686 | \$ 8,919,898 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 238,042 | \$ (50,314) | \$ (613,597) | \$ (58,455) | \$ (178,755) | \$ (663,079) |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | GENERAL FUND | MAJOR STREET | LOCAL STREET | SPECIAL ASSESSMENT CAPITAL PROJECTS | NON- MAJOR FUNDS | TOTALS |
|---|-----------------|-----------------|-----------------|--|------------------------|--------------|
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | | |
| Bond Proceeds | \$ 0 | \$ 288,550 | \$ 706,450 | \$ 0 | \$ 0 | \$ 995,000 |
| Transfers In | 0 | 0 | 393,500 | 77,759 | 244,828 | 716,087 |
| Transfers Out | (296,500) | (135,778) | (95,778) | 0 | (188,031) | (716,087) |
| Total Other Financing Sources (Uses) | \$ (296,500) | \$ 152,772 | \$ 1,004,172 | \$ 77,759 | \$ 56,797 | \$ 995,000 |
| Net Change in Fund Balance | \$ (58,458) | \$ 102,458 | \$ 390,575 | \$ 19,304 | \$ (121,958) | \$ 331,921 |
| <u>FUND BALANCE</u> - Beginning of Year | 1,360,947 | 329,173 | 3,627 | 16,895 | 3,906,444 | 5,617,086 |
| <u>FUND BALANCE</u> - End of Year | \$ 1,302,489 | \$ 431,631 | \$ 394,202 | \$ 36,199 | \$ 3,784,486 | \$ 5,949,007 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|--|------------|
| Net change in Fund Balance - Total Governmental Funds | \$ 331,921 |
| Governmental funds report capital outlays as expenditures. However, the costs of those assets are allocated over their estimated useful lives and reported as depreciation in the statement of activities. | |
| Depreciation Expense | (852,887) |
| Capital Outlay | 1,486,206 |
| In the statement of activities, only the gain or loss on the sale of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balances by the cost of the capital assets sold net of accumulated depreciation. | |
| Governmental Funds - Gain on sale of capital assets | 12,224 |
| Governmental Funds - Loss on sale of capital assets | (53,671) |
| Internal Service Funds - Gain on sale of capital assets | 11,911 |
| Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid. | |
| Accrued Interest Payable - Beginning of Year | 76,258 |
| Accrued Interest Payable - End of Year | (32,900) |
| Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities). | 322,279 |
| Repayments of loan receivables are revenues in the governmental funds, but not in the statement of activities (where they are a reduction of assets). | (25,052) |
| Bond proceeds provide current financial resources to governmental funds by issuing debt which increases long-term debt in the Statement of Net Assets. | (995,000) |
| The effects of bond issuance costs, premiums, discounts, and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | 19,610 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Under the modified accrual basis of accounting, revenue is recognized when measurable and certain. The entity wide statements recognize revenue when earned.

Special assessment revenue previously recognized when earned for the entity wide statements. (213,542)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in personal property tax revenue deferred using the modified accrual method (3,392)

A portion of an existing loan was converted to a grant during the fiscal year. 212,653

Employees compensated absences are reported on the accrual method in the statement of activities, and recorded as expenditures when financial resources are used in the governmental funds.

Compensated Absences - Beginning of Year 424,367

Compensated Absences - End of Year (474,634)

Expense for the unfunded portion of the other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (176,759)

Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net revenue (expense) of the internal service funds is reported within the governmental activities.

8,779

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 78,371

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2005

| | <u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u> | | |
|---------------------------------------|--|---|---|
| | <u>MAJOR FUNDS</u> | | |
| | <u>WATER AND SEWER</u> | <u>BUILDING AUTHORITY OPERATING</u> | <u>NONMAJOR ENTERPRISE FUND</u> |
| <u>ASSETS</u> | | | |
| <u>CURRENT ASSETS</u> | | | |
| Cash | \$ 724,393 | \$ 46,521 | \$ 89,083 |
| Investments | 565,211 | 83,369 | 0 |
| Receivables | | | |
| Accounts | 252,486 | 0 | 2,113 |
| Unbilled Services | 292,508 | 0 | 0 |
| Accrued Interest | 32,617 | 1,030 | 0 |
| Cylinder Deposits | 10,500 | 0 | 0 |
| Due from Other Funds | 238,725 | 0 | 0 |
| Due from Other Governments | 7,048 | 0 | 0 |
| Inventory, At Cost | 191,267 | 0 | 0 |
| | | | |
| Total Current Assets | \$ 2,314,755 | \$ 130,920 | \$ 91,196 |
| | | | |
| <u>NONCURRENT ASSETS</u> | | | |
| <u>RESTRICTED ASSETS</u> | | | |
| Investments | | | |
| Bond Reserve Account | \$ 1,375,543 | \$ 0 | \$ 0 |
| Bond Replacement Account | 416,478 | 0 | 0 |
| | | | |
| Total Restricted Assets | \$ 1,792,021 | \$ 0 | \$ 0 |
| | | | |
| <u>CAPITAL ASSETS</u> | | | |
| Land and Land Improvements | \$ 124,058 | \$ 90,445 | \$ 811,041 |
| Buildings | 930,747 | 1,699,011 | 0 |
| Improvements Other Than Buildings | 27,375,834 | 0 | 0 |
| Machinery and Equipment | 1,061,121 | 0 | 0 |
| Construction Work In Progress | 114,984 | 0 | 0 |
| | \$ 29,606,744 | \$ 1,789,456 | \$ 811,041 |
| Less Accumulated Depreciation | 11,718,471 | 322,812 | 133,751 |
| Net Capital Assets | \$ 17,888,273 | \$ 1,466,644 | \$ 677,290 |
| | | | |
| <u>OTHER ASSETS</u> | | | |
| Deferred Charge - Bond Issuance Costs | \$ 97,767 | \$ 25,464 | \$ 0 |
| | | | |
| Total Noncurrent Assets | \$ 19,778,061 | \$ 1,492,108 | \$ 677,290 |
| | | | |
| TOTAL ASSETS | \$ 22,092,816 | \$ 1,623,028 | \$ 768,486 |

The accompanying notes are an integral part of the financial statements.

| TOTALS | INTERNAL SERVICE FUNDS |
|----------------------|------------------------------|
| \$ 859,997 | \$ 156,002 |
| 648,580 | 519,098 |
| 254,599 | 8,478 |
| 292,508 | 0 |
| 33,647 | 11,911 |
| 10,500 | 0 |
| 238,725 | 156,203 |
| 7,048 | 0 |
| 191,267 | 47,676 |
| <u>\$ 2,536,871</u> | <u>\$ 899,368</u> |
| | |
| \$ 1,375,543 | \$ 0 |
| 416,478 | 0 |
| <u>\$ 1,792,021</u> | <u>\$ 0</u> |
| | |
| \$ 1,025,544 | \$ 93,971 |
| 2,629,758 | 411,945 |
| 27,375,834 | 0 |
| 1,061,121 | 2,453,167 |
| 114,984 | 0 |
| <u>\$ 32,207,241</u> | <u>\$ 2,959,083</u> |
| 12,175,034 | 1,767,216 |
| <u>\$ 20,032,207</u> | <u>\$ 1,191,867</u> |
| | |
| \$ 123,231 | \$ 0 |
| <u>\$ 21,947,459</u> | <u>\$ 1,191,867</u> |
| <u>\$ 24,484,330</u> | <u>\$ 2,091,235</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2005

| | <u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u> | | |
|--|--|---|---|
| | <u>MAJOR FUNDS</u> | | |
| | <u>WATER AND SEWER</u> | <u>BUILDING AUTHORITY OPERATING</u> | <u>NONMAJOR ENTERPRISE FUND</u> |
| <u>LIABILITIES</u> | | | |
| <u>CURRENT LIABILITIES</u> | | | |
| Accounts Payable | \$ 84,713 | \$ 4,541 | \$ 2,469 |
| Accrued Interest | 124,811 | 14,485 | 0 |
| Other Accrued Expenses | 194,328 | 0 | 0 |
| Due to Other Funds | 132,974 | 3,096 | 69 |
| Due to Other Governments | 2,035 | 0 | 0 |
| Utility Deposits | 2,289 | 0 | 0 |
| Current Portion of Revenue Bonds | 350,000 | 95,000 | 0 |
| Total Current Liabilities | <u>\$ 891,150</u> | <u>\$ 117,122</u> | <u>\$ 2,538</u> |
| <u>LONG-TERM LIABILITIES</u> | | | |
| 1993 Revenue Refunding Bonds (Net of Deferred Refunding Amount) | \$ 412,499 | \$ 0 | \$ 0 |
| 1995 Revenue Bonds | 185,000 | 0 | 0 |
| 1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount) | 1,477,394 | 1,180,000 | 0 |
| 2001 Revenue Bonds (Net of Deferred Refunding Amount) | 5,097,413 | 0 | 0 |
| Total Long-Term Liabilities | <u>\$ 7,172,306</u> | <u>\$ 1,180,000</u> | <u>\$ 0</u> |
| <u>TOTAL LIABILITIES</u> | <u>\$ 8,063,456</u> | <u>\$ 1,297,122</u> | <u>\$ 2,538</u> |
| <u>NET ASSETS</u> | | | |
| Invested in Capital Assets, Net of Related Debt Restricted for Debt Service | \$ 10,365,967 | \$ 191,644 | \$ 677,290 |
| Restricted for Programs | 1,792,021 | 0 | 0 |
| Unrestricted (Deficit) | 0 | 0 | 0 |
| | 1,871,372 | 134,262 | 88,658 |
| <u>TOTAL NET ASSETS</u> | <u>\$ 14,029,360</u> | <u>\$ 325,906</u> | <u>\$ 765,948</u> |

The accompanying notes are an integral part of the financial statements.

| TOTALS | INTERNAL SERVICE FUNDS |
|----------------------|------------------------------|
| \$ 91,723 | \$ 62,443 |
| 139,296 | 0 |
| 194,328 | 46,869 |
| 136,139 | 305,190 |
| 2,035 | 0 |
| 2,289 | 0 |
| 445,000 | 0 |
| <u>\$ 1,010,810</u> | <u>\$ 414,502</u> |
| | |
| \$ 412,499 | \$ 0 |
| 185,000 | 0 |
| | |
| 2,657,394 | 0 |
| | |
| 5,097,413 | 0 |
| <u>\$ 8,352,306</u> | <u>\$ 0</u> |
| | |
| <u>\$ 9,363,116</u> | <u>\$ 414,502</u> |
| | |
| \$ 11,234,901 | \$ 1,191,867 |
| 1,792,021 | 0 |
| 0 | 701,444 |
| 2,094,292 | (216,578) |
| <u>\$ 15,121,214</u> | <u>\$ 1,676,733</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF NET ASSETS OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

Amounts reported for proprietary activities in the statement of
net assets are different because:

| | |
|--|---------------|
| Total Net Assets - Total Proprietary Funds | \$ 15,121,214 |
|--|---------------|

| | |
|---|----------------|
| Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The assets and liabilities of the internal service funds are allocated to governmental and business activities. | <u>250,717</u> |
|---|----------------|

| | |
|---------------------------------|-----------------------------|
| NET ASSETS OF PROPRIETARY FUNDS | <u><u>\$ 15,371,931</u></u> |
|---------------------------------|-----------------------------|

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2005

| | <u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u> | | |
|---|--|---|---|
| | <u>MAJOR FUNDS</u> | | |
| | <u>WATER AND SEWER</u> | <u>BUILDING AUTHORITY OPERATING</u> | <u>NONMAJOR ENTERPRISE FUND</u> |
| <u>OPERATING REVENUES</u> | | | |
| Operating Revenues | \$ 3,395,081 | \$ 195,870 | \$ 46,257 |
| <u>OPERATING EXPENSES</u> | | | |
| Personal Services | \$ 742,774 | \$ 0 | \$ 7,072 |
| Contractual Services | 448,638 | 37,669 | 16,462 |
| Supplies | 239,629 | 0 | 2,613 |
| Heat, Light and Power | 260,337 | 2,627 | 0 |
| Depreciation and Amortization | 782,718 | 38,008 | 17,287 |
| Employee Benefits | 403,630 | 0 | 5,207 |
| Administrative | 189,073 | 5,000 | 0 |
| Total Operating Expenses | \$ 3,066,799 | \$ 83,304 | \$ 48,641 |
| Operating Income (Loss) | \$ 328,282 | \$ 112,566 | \$ (2,384) |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | | |
| Interest Revenue | \$ 85,156 | \$ 3,276 | \$ 1,535 |
| Interest and Fiscal Charges | (450,120) | (59,703) | 0 |
| State Wellhead Protection Grant | 13,681 | 0 | 0 |
| Gain (Loss) on Sale of Assets | 0 | 0 | 0 |
| Total Nonoperating Revenues (Expenses) | \$ (351,283) | \$ (56,427) | \$ 1,535 |
| Income (Loss) | \$ (23,001) | \$ 56,139 | \$ (849) |
| <u>TOTAL NET ASSETS</u> - Beginning of Year | 14,052,361 | 269,767 | 766,797 |
| <u>TOTAL NET ASSETS</u> - End of Year | \$ 14,029,360 | \$ 325,906 | \$ 765,948 |

The accompanying notes are an integral part of the financial statements.

| TOTALS | INTERNAL SERVICE FUNDS |
|-----------------------------|------------------------------|
| <u>\$ 3,637,208</u> | <u>\$ 1,710,237</u> |
| | |
| \$ 749,846 | \$ 194,809 |
| 502,769 | 177,236 |
| 242,242 | 98,387 |
| 262,964 | 22,865 |
| 838,013 | 173,301 |
| 408,837 | 950,651 |
| 194,073 | 62,100 |
| <u> </u> | <u> </u> |
| <u>\$ 3,198,744</u> | <u>\$ 1,679,349</u> |
| | |
| <u>\$ 438,464</u> | <u>\$ 30,888</u> |
| | |
| \$ 89,967 | \$ 19,857 |
| (509,823) | (34) |
| 13,681 | 0 |
| 0 | 12,260 |
| <u> </u> | <u> </u> |
| <u>\$ (406,175)</u> | <u>\$ 32,083</u> |
| | |
| \$ 32,289 | \$ 62,971 |
| | |
| <u>15,088,925</u> | <u>1,613,762</u> |
| | |
| <u><u>\$ 15,121,214</u></u> | <u><u>\$ 1,676,733</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

Amounts reported for proprietary activities in the statement of
activities are different because:

| | |
|---|-------------------------|
| Net Change in Fund Net Assets - Total Proprietary Funds | \$ 32,289 |
| Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The net revenue (expense) of internal service funds is reported with governmental and business-type activities. | <u>42,281</u> |
| CHANGE IN NET ASSETS OF PROPRIETARY FUNDS | <u><u>\$ 74,570</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

| | <u>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</u> | | |
|--|--|---|---|
| | <u>MAJOR FUNDS</u> | | |
| | <u>WATER AND SEWER</u> | <u>BUILDING AUTHORITY OPERATING</u> | <u>NONMAJOR ENTERPRISE FUND</u> |
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | | |
| Cash Flows from Operating Activities: | | | |
| Cash Received from Customers | \$ 3,321,125 | \$ 195,870 | \$ 47,707 |
| Cash Received from Interfund Services | | | |
| Provided and Used | 0 | 0 | 0 |
| Cash Payments to Suppliers for Goods and Services | (1,625,690) | (41,198) | (21,721) |
| Cash Payments to Employees for Services | (717,741) | 0 | (7,072) |
| Other Operating Revenues | 0 | 0 | 2,302 |
| Net Cash Provided (Used) by Operating Activities | \$ 977,694 | \$ 154,672 | \$ 21,216 |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisition and Construction of Capital Assets | \$ (470,867) | \$ 0 | \$ 0 |
| Grant Proceeds | 26,860 | 0 | 0 |
| Refund of Bond Issuance Costs | 53,093 | 0 | 0 |
| Principal Paid | (335,000) | (90,000) | 0 |
| Interest Paid | (437,612) | (61,014) | 0 |
| Proceeds from Sale of Fixed Assets | 0 | 0 | 0 |
| Net Cash Provided (Used) for Capital and Related Financing Activities | \$ (1,163,526) | \$ (151,014) | \$ 0 |
| Cash Flows from Investing Activities: | | | |
| Interest Received | \$ 87,056 | \$ 3,947 | \$ 2,283 |
| Purchase of Investment Securities | (1,168,889) | (2,374) | 0 |
| Proceeds from Sale and Maturities of Investment Securities | 1,855,905 | 40,105 | 90,076 |
| Net Cash Provided (Used) by Investing Activities | \$ 774,072 | \$ 41,678 | \$ 92,359 |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 588,240 | \$ 45,336 | \$ 113,575 |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | 136,153 | 1,185 | (24,492) |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | \$ 724,393 | \$ 46,521 | \$ 89,083 |

The accompanying notes are an integral part of the financial statements.

| TOTALS | INTERNAL SERVICE FUNDS |
|----------------|------------------------------|
| \$ 3,564,702 | \$ 0 |
| 0 | 1,737,115 |
| (1,688,609) | (958,958) |
| (724,813) | (179,029) |
| 2,302 | 0 |
| \$ 1,153,582 | \$ 599,128 |
| \$ (470,867) | \$ (465,567) |
| 26,860 | 0 |
| 53,093 | 0 |
| (425,000) | (5,398) |
| (498,626) | (34) |
| 0 | 12,260 |
| \$ (1,314,540) | \$ (458,739) |
| \$ 93,286 | \$ 15,653 |
| (1,171,263) | (452,630) |
| 1,986,086 | 403,752 |
| \$ 908,109 | \$ (33,225) |
| \$ 747,151 | \$ 107,164 |
| 112,846 | 48,838 |
| \$ 859,997 | \$ 156,002 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

MAJOR FUNDS

| WATER AND SEWER | BUILDING AUTHORITY OPERATING | NONMAJOR ENTERPRISE FUND |
|--------------------|------------------------------------|--------------------------------|
|--------------------|------------------------------------|--------------------------------|

RECONCILIATION OF OPERATING INCOME

TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

| | | | |
|---|------------|------------|------------|
| Operating Income (Loss) | \$ 328,282 | \$ 112,566 | \$ (2,384) |
| Adjustments to Reconcile Operating Income | | | |
| To Net Cash Provided by Operating Activities: | | | |
| Depreciation and Amortization | \$ 782,718 | \$ 38,008 | \$ 17,287 |
| (Increase) Decrease in Current Assets | | | |
| Accounts Receivable | (75,707) | 0 | (2,113) |
| Due from Other Funds | (180,885) | 0 | 5,865 |
| Due from Other Governments - Operating | 3,859 | 0 | 0 |
| Inventory | (10,295) | 0 | 0 |
| Prepaid Expense | 11,402 | 1,425 | 23 |
| Increase (Decrease) in Current Liabilities | | | |
| Accounts Payable | 29,553 | (423) | 2,469 |
| Other Accrued Expenses | 25,033 | 0 | 0 |
| Due to Other Funds | 61,225 | 3,096 | 69 |
| Due to Other Governments | 2,035 | 0 | 0 |
| Utility Deposits | 474 | 0 | 0 |
| Total Adjustments | \$ 649,412 | \$ 42,106 | \$ 23,600 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 977,694 | \$ 154,672 | \$ 21,216 |

The accompanying notes are an integral part of the financial statements.

| TOTALS | INTERNAL SERVICE FUNDS |
|---------------------|------------------------------|
| <u>\$ 438,464</u> | <u>\$ 30,888</u> |
| | |
| \$ 838,013 | \$ 173,301 |
| (77,820) | (3,229) |
| (175,020) | 30,107 |
| 3,859 | 0 |
| (10,295) | (10,021) |
| 12,850 | 214,187 |
| | |
| 31,599 | 380 |
| 25,033 | 10,380 |
| 64,390 | 156,064 |
| 2,035 | (2,929) |
| 474 | 0 |
| <u>\$ 715,118</u> | <u>\$ 568,240</u> |
| | |
| <u>\$ 1,153,582</u> | <u>\$ 599,128</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2005

| | PENSION TRUST FUND | AGENCY |
|---|--------------------------|-----------|
| <u>ASSETS</u> | | |
| Cash | \$ 39,462 | \$ 22,177 |
| Investments | | |
| Corporate Bonds and Notes | 1,204,062 | 0 |
| U.S. Government Securities | 247,790 | 0 |
| Common Stocks | 3,354,671 | 0 |
| Preferred Stocks | 237,837 | 0 |
| International Bonds | 157,094 | 0 |
| Mutual Funds | 208,498 | 0 |
| Receivables | | |
| Accrued Interest | 10,913 | 0 |
| Due from Other Funds | 0 | 36,666 |
| Due from Other Governments | 0 | 6,116 |
| Prepaid Items | 0 | 73 |
| | | |
| TOTAL ASSETS | \$ 5,460,327 | \$ 65,032 |
| | | |
| <u>LIABILITIES</u> | | |
| Bank Overdraft | \$ 0 | \$ 33,558 |
| Accounts Payable | 9,100 | 0 |
| Due to Other Funds | 72,490 | 22,443 |
| Due to Other Governments | 0 | 9,031 |
| | | |
| TOTAL LIABILITIES | \$ 81,590 | \$ 65,032 |
| | | |
| <u>NET ASSETS</u> | | |
| Held in Trust for Employees' Pension Benefits | \$ 5,378,737 | \$ 0 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2005

| | <u>PENSION TRUST FUND</u> |
|--|-----------------------------------|
| <u>ADDITIONS</u> | |
| Contributions | |
| Employer | \$ 446,560 |
| Employee | 45,652 |
| Total Contributions | <u>\$ 492,212</u> |
| Investment Income | |
| Interest and Dividend Income | \$ 113,510 |
| Net Appreciation (Depreciation) in the Fair Value of Plan Investments | 136,672 |
| Investment Expenses | (57,591) |
| Net Investment Income (Loss) | <u>\$ 192,591</u> |
| Total Additions (Deletions) | <u>\$ 684,803</u> |
| <u>DEDUCTIONS</u> | |
| Benefit Payments | |
| Retirement | \$ 404,606 |
| Administrative Expenses | |
| Contracted Services | <u>20,365</u> |
| Total Deductions | <u>\$ 424,971</u> |
| Net Increase (Decrease) in Plan Assets | \$ 259,832 |
| <u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u> | |
| Beginning of Year | <u>5,118,905</u> |
| End of Year | <u><u>\$ 5,378,737</u></u> |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2005

| | LOCAL DEVELOPMENT FINANCE AUTHORITY | NONMAJOR COMPONENT UNITS | TOTALS |
|---|--|--------------------------------|------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 661,343 | \$ 54,149 | \$ 715,492 |
| Investments | 1,648,756 | 90,291 | 1,739,047 |
| Receivables | | | |
| Taxes | 0 | 119 | 119 |
| Accounts | 2,902 | 140 | 3,042 |
| Accrued Interest | 28,577 | 1,472 | 30,049 |
| Due from Other Governments | 17,641 | 3,851 | 21,492 |
| Total Current Assets | \$ 2,359,219 | \$ 150,022 | \$ 2,509,241 |
| <u>CAPITAL ASSETS</u> | | | |
| Land Improvements | \$ 0 | \$ 8,965 | \$ 8,965 |
| Improvements Other Than Buildings | 214,812 | 0 | 214,812 |
| | \$ 214,812 | \$ 8,965 | \$ 223,777 |
| Less Accumulated Depreciation | 45,826 | 448 | 46,274 |
| Net Capital Assets | \$ 168,986 | \$ 8,517 | \$ 177,503 |
| TOTAL ASSETS | \$ 2,528,205 | \$ 158,539 | \$ 2,686,744 |
| <u>LIABILITIES</u> | | | |
| <u>CURRENT LIABILITIES</u> | | | |
| Accounts Payable | \$ 21,622 | \$ 2,203 | \$ 23,825 |
| Accrued Expenses | 636 | 615 | 1,251 |
| Due to Other Governments | 4,993 | 40,339 | 45,332 |
| Current Portion of Long-Term Debt | 0 | 4,314 | 4,314 |
| Deferred Revenue | 30,161 | 0 | 30,161 |
| Total Current Liabilities | \$ 57,412 | \$ 47,471 | \$ 104,883 |
| <u>LONG-TERM LIABILITIES</u> | | | |
| Accrued Compensated Sick and Vacation | \$ 0 | \$ 4,314 | \$ 4,314 |
| Less: Current Portion | 0 | (4,314) | (4,314) |
| Total Long-Term Liabilities | \$ 0 | \$ 0 | \$ 0 |
| TOTAL LIABILITIES | \$ 57,412 | \$ 47,471 | \$ 104,883 |
| <u>EQUITY</u> | | | |
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 168,986 | \$ 8,517 | \$ 177,503 |
| Restricted for Groundwater Clean-Up | 1,570,631 | 0 | 1,570,631 |
| Unrestricted | 731,176 | 102,551 | 833,727 |
| TOTAL NET ASSETS | \$ 2,470,793 | \$ 111,068 | \$ 2,581,861 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005

| FUNCTIONS/PROGRAMS | EXPENSES | <u>PROGRAM REVENUES</u> | | <u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u> | | |
|---------------------------------------|-------------------|-------------------------|------------------|--|---------------------|---------------------|
| | | CHARGES FOR | OPERATING | LOCAL | NONMAJOR | TOTALS |
| | | SERVICES | GRANTS AND | DEVELOPMENT | COMPONENT UNITS | |
| | | | CONTRIBUTIONS | FINANCE | | |
| | | | | AUTHORITY | | |
| Local Development Finance Authority | \$ 357,143 | \$ 167,574 | \$ 0 | \$ (189,569) | \$ 0 | \$ (189,569) |
| Downtown Development Authority | 177,275 | 0 | 10,756 | 0 | (166,519) | (166,519) |
| Economic Development Corporation | 0 | 0 | 0 | 0 | 0 | 0 |
| Brownfield Redevelopment Authority | 1,800 | 0 | 0 | 0 | (1,800) | (1,800) |
| TOTAL COMPONENT UNITS | \$ 536,218 | \$ 167,574 | \$ 10,756 | \$ (189,569) | \$ (168,319) | \$ (357,888) |
| <u>GENERAL REVENUES</u> | | | | | | |
| Property Taxes | | | | \$ 777,398 | \$ 143,938 | \$ 921,336 |
| Unrestricted Investment Earnings | | | | 74,056 | 3,814 | 77,870 |
| Other | | | | 0 | 5,000 | 5,000 |
| Total General Revenues | | | | \$ 851,454 | \$ 152,752 | \$ 1,004,206 |
| Change in Net Assets | | | | \$ 661,885 | \$ (15,567) | \$ 646,318 |
| <u>NET ASSETS</u> - Beginning of Year | | | | 1,808,908 | 126,635 | 1,935,543 |
| <u>NET ASSETS</u> - End of Year | | | | \$ 2,470,793 | \$ 111,068 | \$ 2,581,861 |

The accompanying notes are an integral part of the financial statements.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cadillac, Michigan, was incorporated March 9, 1877, and adopted its current charter on November 2, 1976. The City has a population of about 10,000 residents, and operates under a Council-Manager form of government. The Council is composed of five elected members, one of whom is the Mayor. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Data from these units are combined with data of the primary government. Discretely presented component units on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government. Each blended and discretely presented component unit has a June 30 year end.

BLENDED COMPONENT UNITS

City of Cadillac Policemen and Firemen Retirement System - The City's police and fire employees participate in the Policemen and Firemen Retirement System (PFRS). PFRS functions for the benefit of the employees and is governed by a five-member pension board. The City's treasurer, one fireman, one police officer, and two members appointed by the mayor constitute the pension board. The City is responsible for funding all PFRS costs based on actuarial valuations. These costs are paid for out of an unlimited tax levy approved by the voters of the City. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

Cadillac Building Authority - The Cadillac Building Authority is a municipal, nonprofit, nonstock corporation organized under the laws of the State of Michigan solely for the purpose of acquiring and owning buildings for lease to the City. Due to this special financing relationship, the Authority is considered a component of the City's reporting entity.

DISCRETELY PRESENTED COMPONENT UNITS

Downtown Development Authority (DDA) - The DDA was established through City Ordinance under Act No. 197 of the Public Acts of Michigan 1975. The City Council determined that it was necessary and in the best interest of the City to halt property value deterioration, to eliminate the causes and to promote economic growth. The members of the board of the DDA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. The DDA is authorized to impose an ad valorem tax (2 mill maximum) on all taxable property within the established DDA District. The DDA is a volunteer organization.

Economic Development Corporation of the City of Cadillac (EDC) - The EDC is a nonstock, nonprofit corporation. Its purpose is to act as an economic development corporation for the City of Cadillac in accordance with state law. Directors of the corporation are appointed by the mayor with the

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

advice and consent of the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council.

Local Development Finance Authority (LDFA) - The LDFA was created by the City Council pursuant to the provisions of Act 251, Public Acts of 1986. The members of the board of the LDFA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council. The LDFA has a stated purpose to provide for the acquisition, construction and financing of a groundwater treatment facility, which will consist of a complex of wells and pumps installed on property where contaminated groundwater is located; piping sufficient to carry the contaminated groundwater to a cleaning facility; and the cleaning facility itself. The LDFA has also indicated that, if funds are available, they will construct roads, water and sewer lines within the VanderJagt Industrial Park. Money to finance these projects will come from tax increments attributed to increases in the value of real and personal property resulting from new construction, and property value increase within the industrial park.

Brownfield Redevelopment Authority (BRA) - The BRA was established through City Ordinance under Michigan Public Act 381 of 1996. Its purpose is to identify contaminated sites and remediate them, as well as, to provide the financing to do so. The members of the board of the BRA are appointed by the City Council. Its operational and capital budgets and bonded debt must be approved by the City Council.

Financial statements of the individual component units are included as supplemental information in the comprehensive annual financial report of the City of Cadillac, Michigan located at 200 N. Lake Street, Cadillac, MI 49601. The component units do not issue separate financial reports.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially responsible.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, interest and special assessments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current period is considered to be susceptible to accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City of Cadillac reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

The *Major Street Fund* is used to account for the financial activity of the streets designated by the State of Michigan as major thoroughfares and for the maintenance contract of the state trunklines.

The *Local Street Fund* receives all local street money paid to the city by the State, accounts for all construction, maintenance, traffic services, and snow and ice control on all streets classified as local.

The *Special Assessment Capital Projects Fund* accounts for preliminary and construction work in projects that are subsequently paid from special assessments.

The City of Cadillac reports the following major proprietary funds:

The *Water and Sewer Fund* records financial activity of the seven-well water system which provides water to customers and the operations of the City's tertiary treatment plant. The *Building Authority Operating Fund* accounts for the rental of the DEQ office building.

Additionally the City of Cadillac reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *debt service funds* account for the servicing of long-term debt not being financed by proprietary or nonexpendable trust funds.

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *permanent funds* are accounted for using the modified accrual basis of accounting. Permanent funds account for assets that are legally restricted to the extent that only the earnings, and not the principal, may be used.

The *proprietary funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Fiduciary funds are accounted for using the accrual method of accounting. Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. Fiduciary funds are not included in the government-wide statements.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

The *pension trust fund* is accounted for using the accrual method of accounting. The pension trust fund accounts for the assets of the government's public safety employee's pension plan which is required to be held in trust for the members and beneficiaries.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, the Automobile Parking System, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Investments - The City's investment policy is in compliance with state law and authorizes the City to invest in passbook savings accounts, negotiable and nonnegotiable certificates of deposit, repurchase agreements backed by the United States government or federal agency obligations, United States Treasury bills and bonds, bankers acceptances, federal agency instruments, money market funds and commercial paper. Investments in commercial paper must be rated in one of the two highest rating categories by Standard and Poor's or Moody's and are limited to fifty percent of a funds portfolio in accordance with state statutes. The Policemen and Firemen Retirement System Trust Fund and Cemetery Perpetual Care Fund are also authorized to invest in corporate common and preferred stocks and bonds.

Investments are stated at fair value which is determined using selected bases. Securities traded on a national exchange are valued at the last reported sales price. Managed funds not listed on an established market are reported at fair value as determined by the respective fund managers based on quoted prices of underlying securities.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes attach as an enforceable lien on the property as of the date they are levied. City and 50% of Cadillac Area Public School and state education taxes are levied and due July 1, and become delinquent after August 14. County and the balance of school taxes are levied and due December 1, and become delinquent after February 14. Collections of school and county taxes and remittances of them are accounted for in the Current Tax Collection Fund. City property tax revenues are recognized when they become both measurable and available for use to finance City operations. Amounts which are not expected to be collected within sixty days are treated as deferred revenues.

The 2004 taxable valuation of the City of Cadillac totaled \$218,134,750, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 1.8000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately \$3,041,761 for operating purposes and \$392,547 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

3. *Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Restricted Assets*

Certain resources of the Water and Sewer Fund which are set aside for repayment of revenue bonds, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "bond reserve" account is used to report resources set aside to make current debt service payments and to make up potential future deficiencies in the funds available for debt service. The "bond replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items acquired subsequent to July 1, 1979. The government was able to estimate the historical cost for the initial reporting of these assets by reviewing prior financial records. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on any invested debt proceeds over the same period.

Property, plant and equipment of the primary government, as well as the component units are depreciated using the straight line method over the following estimated useful lives:

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

| <u>ASSETS</u> | <u>YEARS</u> |
|------------------------------|--------------|
| Buildings | 50 |
| Building improvements | 20 |
| Public domain infrastructure | 50 |
| System infrastructure | 30 |
| Vehicles | 5 |
| Equipment | 5-10 |

6. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for nonvesting, unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. *Long-term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. *Use of Estimates*

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.
4. All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. Four budget amendments were made during the year in a legally permissible manner.
7. A budget was not adopted for the 1998 Special Assessment Debt Retirement Fund.
8. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) lapse at year-end and do not constitute expenditures or liabilities because the commitments will generally be reappropriated and honored during the subsequent year.

B. Major funds with expenditures in excess of appropriations were as follows:

| | <u>APPROPRIATIONS</u> | | <u>EXPENDITURES</u> |
|--------------------------------|-----------------------|----|---------------------|
| General Fund | | | |
| Culture and Recreation | \$ 197,200 | \$ | 412,427 |
| Intergovernmental Expenditures | 300,000 | | 306,387 |
| Major Street Fund | | | |
| Public Works | 1,095,000 | | 1,219,227 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

These overages were funded by available fund balance and greater-than-anticipated revenues.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's deposits and investments are on deposit with various institutions.

Investment rate risk. The City will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investing pools and limiting the average maturity in accordance with the City's cash requirements.

Foreign currency risk. The City does not have a policy on this type of risk.

Credit risk. The City will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in the City's investment policy; and pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business in accordance with the City's investment policy.

Concentration of credit risk. The City will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2005, \$5,208,890 of the City's bank balance of \$7,996,634 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of the same date the discretely presented component unit's had exposure to custodial credit risk because \$954,371 of the bank balance of \$2,092,728 was uninsured and uncollateralized.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments in U.S. Government Securities, Corporate Bonds and Notes, Stocks and Government Notes, totaling \$5,738,527 have custodial credit risk exposure because they are uninsured, and unregistered and the securities are held by brokers in the City's name.

As of June 30, 2005, the City had the following investments:

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

| | CARRYING AMOUNT | FAIR VALUE |
|----------------------------------|---------------------|---------------------|
| Investments - Primary Government | | |
| U.S. Government | | |
| Securities | \$ 353,584 | \$ 353,584 |
| Corporate | | |
| Bonds and Notes | 1,204,062 | 1,204,062 |
| International Bonds | 157,094 | 157,094 |
| Common Stocks | 3,891,744 | 3,891,744 |
| Preferred Stocks | 237,837 | 237,837 |
| Government Notes | 307,000 | 307,000 |
| Mutual Funds | 870,044 | 870,044 |
| | <u>\$ 7,021,365</u> | <u>\$ 7,021,365</u> |
| | CARRYING AMOUNT | FAIR VALUE |
| Investments - Component Units | | |
| U.S. Government | | |
| Securities | \$ 323,089 | \$ 323,089 |
| Mutual Funds | 19,539 | 19,539 |
| | <u>\$ 342,628</u> | <u>\$ 342,628</u> |

A reconciliation of cash and investments follows:

| | PRIMARY GOVERNMENT | COMPONENT UNITS |
|---|-----------------------|---------------------|
| Cash on Hand | \$ 1,200 | \$ 0 |
| Carrying amount of Deposits | 7,878,981 | 2,111,911 |
| Carrying amount of Investments | 7,021,365 | 342,628 |
| Total | <u>\$ 14,901,546</u> | <u>\$ 2,454,539</u> |
| Government-wide Statement of Net Assets | | |
| Cash | \$ 2,457,014 | \$ 715,492 |
| Investments | 7,006,499 | 1,739,047 |
| Statement of Fiduciary Net Assets | | |
| Cash | 61,639 | 0 |
| Investments | 5,409,952 | 0 |
| Overdraft - Liability | (33,558) | 0 |
| Total | <u>\$ 14,901,546</u> | <u>\$ 2,454,539</u> |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor, internal service, and fiduciary funds in aggregate, including the applicable allowances for uncollectible accounts are as follows:

| | General | Major Street | Local Street | Special Assessment Capital Project | Water and Sewer | Building Authority Operating | Nonmajor and Other Funds | Total |
|------------------------|------------|-----------------|-----------------|---|-----------------------|------------------------------------|-----------------------------------|--------------|
| Receivables | | | | | | | | |
| Taxes | \$ 7,019 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 7,019 |
| Accounts | 113,930 | 0 | 0 | 0 | 252,486 | 0 | 13,013 | 379,429 |
| Unbilled | | | | | | | | |
| Services | 0 | 0 | 0 | 0 | 292,508 | 0 | 0 | 292,508 |
| Special Assessments | | | | | | | | |
| Current | 0 | 0 | 0 | 42,265 | 0 | 0 | 90,346 | 132,611 |
| Deferred | 0 | 0 | 0 | 310,358 | 0 | 0 | 338,101 | 648,459 |
| Mortgages and Notes | 209,610 | 0 | 0 | 0 | 0 | 0 | 299,820 | 509,430 |
| Accrued Interest | 5,802 | 7,995 | 3,903 | 19,982 | 32,617 | 1,030 | 74,821 | 146,150 |
| Cylinder Deposits | 0 | 0 | 0 | 0 | 10,500 | 0 | 0 | 10,500 |
| Receivables | \$ 336,361 | \$ 7,995 | \$ 3,903 | \$ 372,605 | \$ 588,111 | \$ 1,030 | \$ 816,101 | \$ 2,126,106 |

By ordinance, the City can place substantially all of its delinquent receivables on the tax rolls as a lien against real property. As a result, its uncollectible accounts are virtually nil.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

| | Deferred Revenue | |
|---|------------------|----------|
| | Unavailable | Unearned |
| Delinquent property taxes receivable (General Fund) | \$ 5,038 | \$ 0 |
| Property taxes prepaid (General Fund) | 0 | 1,073 |
| Accounts receivable (General Fund) | 0 | 991 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

| | | | |
|---|---------------------|------------------|---------------------|
| Mortgages and notes receivable (General Fund) | 209,610 | 0 | |
| Deferred Grant Revenue (Special Revenue Funds) | 0 | 18,222 | |
| Mortgages and notes receivable (Special Revenue Funds) | 279,820 | 0 | |
| Special assessment receivables (Debt Service Funds) | 338,101 | 0 | |
| Special assessment receivables (Capital Projects Funds) | 310,358 | 0 | |
| | <u>\$ 1,142,927</u> | <u>\$ 20,286</u> | <u>\$ 1,163,213</u> |

C. Capital Assets

Primary Government

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|-------------------|----------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 2,745,018 | \$ 0 | \$ 200,000 | \$ 2,545,018 |
| Construction in Progress | 11,255 | 0 | 11,255 | 0 |
| Total Capital Assets, Not Being Depreciated | <u>\$ 2,756,273</u> | <u>\$ 0</u> | <u>\$ 211,255</u> | <u>\$ 2,545,018</u> |
| Capital Assets, Being Depreciated | | | | |
| Buildings | \$ 3,836,609 | \$ 85,058 | \$ 0 | \$ 3,921,667 |
| Land Improvements | 463,979 | 278,007 | 0 | 741,986 |
| Machinery and Equipment | 1,479,146 | 39,346 | 0 | 1,518,492 |
| Infrastructure | 13,228,283 | 1,095,050 | 0 | 14,323,333 |
| Total Capital Assets, Being Depreciated | <u>\$ 19,008,017</u> | <u>\$ 1,497,461</u> | <u>\$ 0</u> | <u>20,505,478</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings | \$ 2,231,216 | \$ 83,603 | \$ 0 | \$ 2,314,819 |
| Land Improvements | 283,640 | 25,449 | 0 | 309,089 |
| Machinery and Equipment | 973,316 | 117,904 | 0 | 1,091,220 |
| Infrastructure | 4,837,803 | 625,931 | 0 | 5,463,734 |
| Total Accumulated Depreciation | <u>\$ 8,325,975</u> | <u>\$ 852,887</u> | <u>\$ 0</u> | <u>\$ 9,178,862</u> |
| Total Capital Assets, Being Depreciated, Net | <u>\$ 10,682,042</u> | <u>\$ 644,574</u> | <u>\$ 0</u> | <u>\$ 11,326,616</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 13,438,315</u> | <u>\$ 644,574</u> | <u>\$ 211,255</u> | <u>\$ 13,871,634</u> |
| Internal Service Fund Net Capital Assets | | | | <u>1,109,587</u> |
| Net Capital Assets per Statement of Net Assets | | | | <u>\$ 14,981,221</u> |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|--------------|-----------|-------------------|
| <u>Business-Type Activities</u> | | | | |
| Capital Assets, Not Being Depreciated | | | | |
| Land | \$ 362,532 | \$ 0 | \$ 0 | \$ 362,532 |
| Construction in Progress | 75,129 | 107,297 | 67,442 | 114,984 |
| Total Capital Assets, Not Being Depreciated | \$ 437,661 | \$ 107,297 | \$ 67,442 | \$ 477,516 |
| Capital Assets, Being Depreciated | | | | |
| Buildings | \$ 2,611,033 | \$ 18,725 | \$ 0 | \$ 2,629,758 |
| Improvements other than buildings | 27,688,969 | 349,877 | 0 | 28,038,846 |
| Machinery and Equipment | 998,711 | 62,410 | 0 | 1,061,121 |
| Total Capital Assets, Being Depreciated | \$ 31,298,713 | \$ 431,012 | \$ 0 | \$ 31,729,725 |
| Less Accumulated Depreciation For: | | | | |
| Buildings | \$ 846,435 | \$ 71,054 | \$ 0 | \$ 917,489 |
| Improvements other than buildings | 9,796,879 | 694,078 | 0 | 10,490,957 |
| Machinery and Equipment | 716,051 | 50,537 | 0 | 766,588 |
| Total Accumulated Depreciation | \$ 11,359,365 | \$ 815,669 | \$ 0 | \$ 12,175,034 |
| Total Capital Assets, Being Depreciated, Net | \$ 19,939,348 | \$ (384,657) | \$ 0 | \$ 19,554,691 |
| Business-type Activities Capital Assets, Net | \$ 20,377,009 | \$ (277,360) | \$ 67,442 | \$ 20,032,207 |
| Internal Service Fund Net Capital Assets | | | | 82,280 |
| Net Capital Assets per Statement of Net Assets | | | | \$ 20,114,487 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|--|------------|
| Governmental activities: | |
| General Government | \$ 56,746 |
| Public Safety | 106,045 |
| Public Works, including depreciation of general infrastructure assets | 606,416 |
| Recreation and Culture | 73,097 |
| Economic Development and Assistance | 10,583 |
| Total depreciation expense - governmental activities | \$ 852,887 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Business-type activities:

| | |
|---|-------------------|
| Water and Sewer | \$ 764,402 |
| Automobile Parking System | 17,287 |
| Building Authority Operating | <u>33,980</u> |
| Total depreciation expense - business-type activities | <u>\$ 815,669</u> |

Construction Commitments:

The City has active construction projects as of June 30, 2005. The constructions projects are for street construction and for the underlying water and sewer infrastructure. The total contract balances were approximately \$594,498 with \$63,088 being expended as of June 30, 2005. The remaining commitments total \$531,410. The projects are being funded with water and sewer revenues, general revenues and Act 51 Street revenues.

Discretely Presented Component Units:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------|-------------|-------------------|
| <u>Government-Type Activities</u> | | | | |
| Capital Assets, Being Depreciated | | | | |
| Land Improvements | \$ 0 | \$ 8,965 | \$ 0 | \$ 8,965 |
| Less Accumulated Depreciation For: | | | | |
| Land Improvements | <u>0</u> | <u>448</u> | <u>0</u> | <u>448</u> |
| Total Capital Assets, Being Depreciated, Net | <u>\$ 0</u> | <u>\$ 9,413</u> | <u>\$ 0</u> | <u>\$ 8,517</u> |
| <u>Business-Type Activities</u> | | | | |
| Capital Assets, Being Depreciated | | | | |
| Improvements Other Than Buildings | \$ 214,812 | \$ 0 | \$ 0 | \$ 214,812 |
| Less Accumulated Depreciation For: | | | | |
| Improvements Other Than Buildings | <u>41,530</u> | <u>4,296</u> | <u>0</u> | <u>45,826</u> |
| Total Capital Assets, Being Depreciated, Net | <u>\$ 173,282</u> | <u>\$ 4,296</u> | <u>\$ 0</u> | <u>\$ 168,986</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | |
|--------------------------------|---------------|
| Downtown Development Authority | \$ <u>448</u> |
|--------------------------------|---------------|

Business-type activities

| | |
|-------------------------------------|-----------------|
| Local Development Finance Authority | \$ <u>4,296</u> |
|-------------------------------------|-----------------|

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

D. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2005, is as follows:

| | General Fund | Local Street | Special Assessment Capital Projects | Nonmajor Governmental Funds | Water and Sewer | Internal Service Funds | Agency | Total Due to |
|--|-----------------|-----------------|--|-----------------------------------|-----------------------|------------------------------|---------------|------------------|
| Due to | | | | | | | | |
| General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 160,280 | \$ 230,010 | \$ 1,243 | \$ 0 | \$ 391,533 |
| Major Street Fund | 8,390 | 9,577 | 158,669 | 3,316 | 0 | 20,034 | 0 | 199,986 |
| Local Street Fund | 2,383 | 0 | 35,313 | 8,039 | 0 | 25,269 | 0 | 71,004 |
| Special Assessment Capital Project Fund | 249,471 | 0 | 0 | 0 | 0 | 0 | 0 | 249,471 |
| Nonmajor Governmental Funds | 147,950 | 0 | 0 | 43,242 | 0 | 19,442 | 0 | 210,634 |
| Water and Sewer Fund | 0 | 0 | 132,974 | 0 | 0 | 0 | 0 | 132,974 |
| Building Authority Operating Fund | 3,096 | 0 | 0 | 0 | 0 | 0 | 0 | 3,096 |
| Nonmajor Enterprise Fund | 0 | 0 | 0 | 0 | 0 | 69 | 0 | 69 |
| Internal Service Funds | 215,044 | 0 | 0 | 0 | 0 | 90,146 | 0 | 305,190 |
| Pension Trust Fund | 35,824 | 0 | 0 | 0 | 0 | 0 | 36,666 | 72,490 |
| Agency | 13,728 | 0 | 0 | 0 | 8,715 | 0 | 0 | 22,443 |
| Total Due from | \$ 675,886 | \$ 9,577 | \$ 326,956 | \$ 214,877 | \$ 238,725 | \$ 156,203 | \$ 36,666 | \$ 1,658,890 |

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2005, are expected to be repaid within one year.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

The interfund transfers during the year ended June 30, 2005, are as follows:

| | Local Street | Special Assessment Capital Projects | Nonmajor Governmental Funds | Total Transfers Out |
|-----------------------------|-----------------|--|-----------------------------------|---------------------------|
| Transfers Out | | | | |
| General Fund | \$ 296,500 | \$ 0 | \$ 0 | \$ 296,500 |
| Major Street Fund | 97,000 | 0 | 38,778 | 135,778 |
| Local Street Fund | 0 | 0 | 95,778 | 95,778 |
| Nonmajor Governmental Funds | 0 | 77,759 | 110,272 | 188,031 |
| Total Transfers In | \$ 393,500 | \$ 77,759 | \$ 244,828 | \$ 716,087 |

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Leases

Operating Leases - The City is committed under three noncancelable leases for office equipment and four noncancelable leases for vehicles. The leases are operating leases with no contingent lease payments. The equipment may be purchased at the end of the lease for fair market value. Total costs for these leases were approximately \$26,040 for the year ended June 30, 2005. Future minimum lease payments are as follows:

| <u>YEAR ENDED JUNE 30,</u> | <u>AMOUNT</u> |
|----------------------------|------------------|
| 2006 | \$ 25,661 |
| 2007 | 15,762 |
| 2008 | 8,991 |
| | <u>\$ 50,414</u> |

Capital Leases – As of June 30, 2005, the City of Cadillac is not committed under any capital leases.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

F. Long-Term Debt

1. Primary Government

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2005 (in thousands of dollars):

Governmental Activities:

| | GENERAL OBLIGATION BONDS | SPECIAL ASSESSMENT BONDS | CONTRACTS AND NOTES | SICK AND VACATION PAY | TOTAL |
|-------------------------------|--------------------------------|--------------------------------|------------------------|-----------------------------|-----------------|
| Debt Payable at July 1, 2004 | \$ 785 | \$ 925 | \$ 831 | \$ 424 | \$ 2,965 |
| New Debt Incurred | 995 | 0 | 0 | 180 | 1,175 |
| Debt Retired | (115) | (150) | (269) | (130) | (664) |
| Debt Payable at June 30, 2005 | <u>\$ 1,665</u> | <u>\$ 775</u> | <u>\$ 562</u> | <u>\$ 474</u> | <u>\$ 3,476</u> |
| Due within one year | <u>\$ 140</u> | <u>\$ 150</u> | <u>\$ 81</u> | <u>\$ 154</u> | <u>\$ 525</u> |

The General Fund will generally liquidate vested sick and vacation pay for the governmental activities.

Debt payable at June 30, 2005 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

| | |
|--|-----------------|
| \$185,000 1993 Michigan Transportation Fund Bonds due in annual installments of \$20,000 through October 1, 2005; interest at 5.40 percent | \$ 20 |
| \$230,000 1996 Michigan Transportation Fund Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2010; interest at 5.50 percent | 135 |
| \$110,000 1997 Michigan Transportation Fund Bonds due in annual installments of \$10,000 to \$15,000 through October 1, 2008; interest at 5.20 to 5.35 percent | 55 |
| \$300,000 2000 Michigan Transportation Fund Bonds due in annual installments of \$15,000 to \$35,000 through October 1, 2014; interest at 5.35 to 5.55 percent | 255 |
| \$310,000 1997 Building Authority Bonds due in annual installments of \$20,000 to \$30,000 through October 1, 2012; interest at 4.90 to 5.25 percent | 205 |
| \$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of \$55,000 to \$85,000 through September 1, 2019; interest at 2.05 to 4.25 percent | 995 |
| | <u>\$ 1,665</u> |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Special Assessment Bonds

| | |
|---|---------------|
| \$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2006; interest at 6.10 to 6.20 percent | \$ 45 |
| \$220,000 Special Assessment Limited Tax Bonds due in annual installments of \$15,000 through October 1, 2007; interest at 5.40 to 5.60 percent | 45 |
| \$425,000 Special Assessment Limited Tax Bonds due in annual installments of \$10,000 to \$30,000 through October 1, 2010; interest at 5.30 to 5.65 percent | 145 |
| \$360,000 Special Assessment Limited Tax Bonds due in annual installments of \$20,000 to \$25,000 through October 1, 2011; interest at 5.20 to 5.45 percent | 170 |
| \$210,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$20,000 through October 1, 2014; interest at 5.35 to 5.55 percent | 125 |
| \$325,000 Special Assessment Limited Tax Bonds due in annual installments of \$5,000 to \$35,000 through October 1, 2015; interest at 3.40 to 5.00 percent | 245 |
| | <u>\$ 775</u> |

Other Long-Term Debt:

| | |
|---|-----------------|
| \$200,000 Michigan Jobs Commission Loan due in annual installments of \$41,500 through May 1, 2006; this loan is interest-free | \$ 42 |
| \$212,653 Michigan Jobs Commission loan due in quarterly installments of \$4,430 to \$13,291 beginning September 1, 2005 and running through December 1, 2016; this loan is interest-free | 213 |
| \$27,000 Loan, due in annual installments of \$13,500 through 2007; interest at 3.00 percent | 27 |
| \$235,000 Loan, due in annual installments of \$26,111 through 2014; interest at 3.00 percent | 235 |
| \$45,000 Loan, due in annual installments of \$11,250 through 2009; interest at 3.00 percent | 45 |
| Vested sick and vacation pay owed to City employees under various contracts and collective bargaining agreements (this debt is payable from the General Fund and various Special Revenue Funds) | 474 |
| | <u>\$ 1,036</u> |
| | <u>\$ 3,476</u> |

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

The annual requirements to amortize debt outstanding other than vested sick and vacation pay as of June 30, 2005, are as follows (in thousands of dollars):

| YEAR ENDING JUNE 30, | GENERAL OBLIGATION BONDS | SPECIAL ASSESSMENT BONDS | INSTALLMENT LOANS | TOTAL |
|-------------------------|--------------------------------|--------------------------------|----------------------|----------|
| 2006 | | | | |
| PRINCIPAL | \$ 140 | \$ 150 | \$ 119 | \$ 409 |
| INTEREST | 67 | 35 | 11 | 113 |
| TOTAL | \$ 207 | \$ 185 | \$ 130 | \$ 522 |
| 2007 | | | | |
| PRINCIPAL | \$ 130 | \$ 140 | \$ 69 | \$ 339 |
| INTEREST | 62 | 28 | 7 | 97 |
| TOTAL | \$ 192 | \$ 168 | \$ 76 | \$ 436 |
| 2008 | | | | |
| PRINCIPAL | \$ 135 | \$ 120 | \$ 55 | \$ 310 |
| INTEREST | 56 | 21 | 6 | 83 |
| TOTAL | \$ 191 | \$ 141 | \$ 61 | \$ 393 |
| 2009 | | | | |
| PRINCIPAL | \$ 145 | \$ 105 | \$ 55 | \$ 305 |
| INTEREST | 50 | 16 | 4 | 70 |
| TOTAL | \$ 195 | \$ 121 | \$ 59 | \$ 375 |
| 2010 | | | | |
| PRINCIPAL | \$ 135 | \$ 90 | \$ 44 | \$ 269 |
| INTEREST | 44 | 11 | 4 | 59 |
| TOTAL | \$ 179 | \$ 101 | \$ 48 | \$ 328 |
| 2011-2015 | | | | |
| PRINCIPAL | \$ 590 | \$ 165 | \$ 193 | \$ 948 |
| INTEREST | 140 | 14 | 6 | 160 |
| TOTAL | \$ 730 | \$ 179 | \$ 199 | \$ 1,108 |
| 2016-2020 | | | | |
| PRINCIPAL | \$ 390 | \$ 5 | \$ 27 | \$ 422 |
| INTEREST | 42 | 0 | 0 | 42 |
| TOTAL | \$ 432 | \$ 5 | \$ 27 | \$ 464 |
| GRAND TOTAL | | | | |
| PRINCIPAL | \$ 1,665 | \$ 775 | \$ 562 | \$ 3,002 |
| INTEREST | 461 | 125 | 38 | 624 |
| TOTAL | \$ 2,126 | \$ 900 | \$ 600 | \$ 3,626 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2005, (in thousands of dollars) reported in Business-Type Activities:

| | REVENUE BONDS |
|-------------------------------|------------------|
| Debt Payable at July 1, 2004 | \$ 9,340 |
| New Debt Incurred | 0 |
| Debt Retired | (425) |
| Debt Payable at June 30, 2005 | \$ <u>8,915</u> |

Revenue Bonds:

| | |
|---|-----------------|
| \$1,655,000 Water Supply and Wastewater System Revenue Refunding Bonds due in annual installments of \$190,000 to \$220,000 through September 1, 2007; interest at 5.30 to 5.50 percent | \$ 615 |
| \$2,300,000 Water Supply and Wastewater System Revenue Bonds due in annual installments starting September 1, 2004, of \$90,000 to \$95,000 through September 1, 2007, interest at 5.375 percent | 280 |
| \$2,110,000 Water Supply and Wastewater System Revenue and Revenue Refunding Bonds due in annual installments of \$5,000 to \$305,000 through September 1, 2019; interest at 3.95 to 4.90 percent | 1,560 |
| \$5,215,000 Water and Sewer Revenue and Revenue Refunding Bonds due in annual installments of \$10,000 to \$505,000 through September 1, 2026; interest at 4.00 to 5.125 percent | 5,185 |
| \$1,740,000 1994 Building Authority Bonds due in one installment of \$80,000 on October 1, 2005; interest at 6.20 percent. These bonds are a limited tax full faith and credit general obligation | 80 |
| \$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of \$15,000 to \$140,000 through October 1, 2015; interest at 4.05 to 4.60 percent | 1,195 |
| | \$ <u>8,915</u> |
| Less unamortized deferred charges | <u>118</u> |
| Long-term debt per Statement of Net Assets | \$ <u>8,797</u> |

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2005, are as follows (in thousands of dollars):

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

| YEAR ENDING <u>JUNE 30,</u> | <u>REVENUE BONDS</u> |
|--------------------------------|--------------------------|
| 2006 | |
| PRINCIPAL | \$ 445 |
| INTEREST | 421 |
| TOTAL | \$ <u>866</u> |
| 2007 | |
| PRINCIPAL | \$ 465 |
| INTEREST | 398 |
| TOTAL | \$ <u>863</u> |
| 2008 | |
| PRINCIPAL | \$ 490 |
| INTEREST | 374 |
| TOTAL | \$ <u>864</u> |
| 2009 | |
| PRINCIPAL | \$ 515 |
| INTEREST | 351 |
| TOTAL | \$ <u>866</u> |
| 2010 | |
| PRINCIPAL | \$ 540 |
| INTEREST | 328 |
| TOTAL | \$ <u>868</u> |
| 2011-2015 | |
| PRINCIPAL | \$ 2,500 |
| INTEREST | 1,255 |
| TOTAL | \$ <u>3,755</u> |
| 2016-2020 | |
| PRINCIPAL | \$ 1,455 |
| INTEREST | 811 |
| TOTAL | \$ <u>2,266</u> |
| 2021-2025 | |
| PRINCIPAL | \$ 1,695 |
| INTEREST | 433 |
| TOTAL | \$ <u>2,128</u> |
| 2026-2027 | |
| PRINCIPAL | \$ 810 |
| INTEREST | 42 |
| TOTAL | \$ <u>852</u> |
| GRAND TOTAL | |
| PRINCIPAL | \$ 8,915 |
| INTEREST | 4,413 |
| TOTAL | \$ <u><u>13,328</u></u> |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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\$673,491 is available in the Debt Service Funds to service the General Obligation and Special Assessment bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

At June 30, 2005, outstanding revenue bonds (including prior year's refundings) of \$2,195,000 are considered to be defeased. These are by fund type, as follows:

| | |
|------------------|---------------------|
| Enterprise Funds | \$ <u>2,195,000</u> |
|------------------|---------------------|

2. Component Units

The following is a summary of debt transactions of the City of Cadillac's discretely presented component units for the year ended June 30, 2005, (in thousands of dollars):

| | REVENUE BONDS |
|-------------------------------|------------------|
| Debt Payable at July 1, 2004 | \$ 1,210 |
| New Debt Incurred | 0 |
| Debt Retired | 1,210 |
| Debt Payable at June 30, 2005 | \$ <u>0</u> |

As of June 30, 2005, the City of Cadillac's discretely presented component units had no outstanding debt.

G. Fund Balance Reserves and Designations

In order to comply with generally accepted accounting principles and meet certain legal requirements, the City has reserved fund balances/retained earnings in various funds. In addition, certain portions of unreserved fund balances/retained earnings have been designated for intended future uses. These reserves and designations are detailed in the following schedule:

NET ASSETS

| | | | |
|--------------------------------------|----------------|----|------------------|
| Restricted | | | |
| General Fund | | | |
| Special Purposes | | \$ | 10,865 |
| Self-Insurance Fund | | | |
| Retirees' Life Insurance | \$ 179,285 | | |
| Employees' Life and Health Insurance | <u>522,159</u> | | 701,444 |
| Water and Sewer Fund | | | |
| Debt Service | | | <u>1,792,021</u> |
| | | \$ | <u>2,504,330</u> |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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FUND BALANCE/NET ASSETS

Reserved

General Fund

| | | | |
|----------------------|----|---------|------------|
| Inventory | \$ | 3,222 | |
| Prepaid Expenditures | | 845 | |
| Veterans Memorial | | 1,855 | |
| Pistol Range | | 2,272 | |
| Antique Fire Truck | | 2,059 | |
| Youth Services | | 844 | |
| Drug Forfeiture | | 2,596 | |
| Fire Truck | | 126,002 | |
| Fire Safety House | | 2,250 | |
| Blackburn Skate Park | | 1,261 | |
| Say Nay to Drugs | | 15 | \$ 143,221 |

Special Revenue Funds

Cemetery Operating Fund

| | | | |
|----------------------|----|--------|--|
| Capital Improvements | \$ | 10,918 | |
|----------------------|----|--------|--|

Cadillac Development Fund

| | | | |
|------------------|--|--------|--|
| Loans Receivable | | 20,000 | |
|------------------|--|--------|--|

Clam River Greenway Fund

| | | | |
|-------|--|-------|--------|
| Parks | | 2,270 | 33,188 |
|-------|--|-------|--------|

Debt Service Funds

Reserved for Debt Service

| | | | |
|--|----|---------|--|
| 1992 Special Assessment Debt Retirement Fund | \$ | 114,592 | |
|--|----|---------|--|

| | | | |
|--|--|--------|--|
| 1993 Special Assessment Debt Retirement Fund | | 72,901 | |
|--|--|--------|--|

1993 Michigan Transportation Fund

| | | | |
|----------------------|--|-------|--|
| Debt Retirement Fund | | 2,137 | |
|----------------------|--|-------|--|

| | | | |
|--|--|---------|--|
| 1996 Special Assessment Debt Retirement Fund | | 134,222 | |
|--|--|---------|--|

1996 Michigan Transportation Fund

| | | | |
|----------------------|--|-------|--|
| Debt Retirement Fund | | 4,902 | |
|----------------------|--|-------|--|

| | | | |
|--|--|---------|--|
| 1997 Special Assessment Debt Retirement Fund | | 288,327 | |
|--|--|---------|--|

1997 Michigan Transportation Fund

| | | | |
|----------------------|--|-------|--|
| Debt Retirement Fund | | 1,472 | |
|----------------------|--|-------|--|

| | | | |
|--|--|---|--|
| 1997 Building Authority Debt Retirement Fund | | 1 | |
|--|--|---|--|

| | | | |
|--|--|--------|--|
| 2000 Special Assessment Debt Retirement Fund | | 30,872 | |
|--|--|--------|--|

2000 Michigan Transportation Fund

| | | | |
|----------------------|--|-----|--|
| Debt Retirement Fund | | 350 | |
|----------------------|--|-----|--|

| | | | |
|--|--|--------|---------|
| 2002 Special Assessment Debt Retirement Fund | | 23,715 | 673,491 |
|--|--|--------|---------|

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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| | | |
|--|------------------|----------------------------|
| Capital Projects Funds | | |
| Industrial Park Fund | | |
| Industrial Development | \$ 181,473 | |
| Special Assessment Capital Projects Fund | | |
| Special Assessment Project Construction | <u>36,199</u> | 217,672 |
| Reserved | | |
| Trust Funds | | |
| Policemen and Firemen Retirement System | | |
| Employee's Pension Benefits | \$ 5,378,737 | |
| Cemetery Perpetual Care Fund | | |
| Cemetery Perpetual Care Endowment | 459,532 | |
| Capital Projects Trust Fund | | |
| Capital Projects | <u>669,239</u> | 6,507,508 |
| Component Units | | |
| L.D.F.A. Debt Retirement Fund | | |
| Debt Service | \$ 584,924 | |
| L.D.F.A. Operating Fund | | |
| Groundwater Cleanup | <u>1,570,631</u> | <u>2,155,555</u> |
| TOTAL FUND BALANCE/NET ASSETS RESERVES | | \$ <u><u>9,730,635</u></u> |
| Unreserved - Designated | | |
| General Fund | | |
| Sick and Vacation | \$ 187,457 | |
| Working Capital | 952,305 | |
| Tax Tribunal | <u>19,506</u> | \$ 1,159,268 |
| Special Revenue Funds | | |
| Major Street Fund | | |
| Street Improvements | \$ 431,631 | |
| Local Street Fund | | |
| Street Improvements | <u>394,202</u> | <u>825,833</u> |
| TOTAL FUND BALANCE DESIGNATIONS | | \$ <u><u>1,985,101</u></u> |

IV. OTHER INFORMATION

A. Amortization of Bond Issuance Costs

The City incurred bond issuance costs in connection with Water and Sewer revenue bonds and Building Authority Operating Bonds of \$406,052 and \$50,158, respectively. These costs have been capitalized

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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and are amortized using the “interest” method, as prescribed in Accounting Principles Board Opinion Number 21, over the repayment period of the bonds.

The City also incurred bond issuance cost in connection with the City of Cadillac 2004 General Obligation Capital Improvement Bonds of \$20,337. These costs have been expenses on the Fund Financial Statements, but are capitalized and amortized using the “interest” method over the repayment period of the bonds on the Government-Wide Statements.

B. Mortgages and Notes Receivable

Mortgages and Notes Receivable as reported in the Special Revenue Funds consist of the following:

Mortgages resulting from loans made with H.U.D. grant monies to assist low and moderate income families to bring their homes up to the City building code. These loans are either low interest or interest free. As loans are repaid, money is made available for new loans.

C. City Obligation for Special Assessment Debts

As described in Note III-F, the City has special assessment bonds payable totaling \$775,000. In the event that property owners default on the special assessments levied to pay these bonds, the City is obligated to make payment from its own funds. The City currently has cash and investments totaling \$527,205 to be used for retirement of these bonds. This amount is on deposit in the various special assessment debt retirement funds.

D. Wexford County Airport Authority

The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2004, audited financial statements:

| | |
|--|--------------|
| Total Assets | \$ 2,248,714 |
| Total Liabilities | 28,716 |
| Investment in Capital Assets | 2,073,083 |
| Net Assets Invested in Capital Assets | |
| Net of Related Debt | 2,057,081 |
| Net Assets – Unrestricted | 162,917 |
| Total Revenues – Governmental and Business Type Activities | 509,138 |
| Total Expenses – Governmental and Business Type Activities | 460,722 |
| Change in Net Assets | 48,416 |

CITY OF CADILLAC, MICHIGAN
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The Wexford County Airport Authority's total liabilities can be broken down as follows:

| | |
|----------------------------------|----------|
| Accrued Expenses | \$ 5,902 |
| Notes Payable (Long-Term) | 16,002 |
| Accumulated Sick Pay (Long-Term) | 6,812 |

The note payable is secured by a fuel farm which the Authority constructed. The note is a non-interest bearing promissory note due in one installment on December 15, 2005.

Complete financial statements may be obtained at: 8040 East 34 Road, Cadillac, MI 49601

E. Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

F. Due from Other Governments

Amounts due from other governments consists of \$410,987 in state-shared revenues and undrawn grants.

G. Contingent Liabilities

Currently, the City has several cases being brought to the Michigan Tax Tribunal for reduction of assessed values due to proposed changes in the calculations of valuations on assets of certain taxpayers. If successful in their petition for reduced taxable values, the City's tax revenues may be reduced; the amount of potential reduction is not known.

H. Other Post Employment Benefits

The City has chosen to early implement Governmental Accounting Standards Board Statement No. 45 – *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. This standard applies to the City's basic financial statements instead of the trust fund financial statements. The OPEB obligation is reported as a liability on the City's entity-wide statement of net assets.

Plan Descriptions. The City of Cadillac contributes to two agent multi-employer defined benefit healthcare plans: General Retiree Health Care Plan (GRHCP) and Policemen and Firemen Retiree Health Care Plan (PFRHP). Each plan provides medical benefits to eligible retired city employees and beneficiaries.

CITY OF CADILLAC, MICHIGAN
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Benefit provisions for GRHCP and PFRHP are established and amended through negotiations between the City and respective unions. Each plan will issue a publicly available financial report that includes financial statements and required supplementary information for that plan. No statements are available at this time because no plan contributions were made until late June 2005.

Funding Policy and Annual OPEB Cost. For GRHCP, contribution requirements of the plan members and the City are established and may be amended through negotiations between the City and the union. For PFRHP, the board of trustees of the plan establishes and may amend the contribution requirements of plan members and the city. The City's annual other post employment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for the current year and the related information for each plan are as follows:

| | General Retiree Health Care Plan | Policemen and Firemen Retiree Health Care Plan |
|--|--|---|
| Contribution rates: | | |
| City | Percentage of Payroll 6.95% | Percentage of Payroll 16.24% |
| Plan Members | \$25/Month – Single \$50/Month – Family | \$25/Month – Single \$50/Month – Family |
| Annual required contribution | \$ 96,248 | \$ 180,511 |
| Interest on net OPEB obligation | 0 | 0 |
| Adjustment to annual required contribution | 0 | 0 |
| Annual OPEB cost | 96,248 | 180,511 |
| Contributions made | (50,000) | (50,000) |
| Increase in net OPEB obligation | 46,248 | 130,511 |
| Net OPEB obligation – Beginning of Year | 0 | 0 |
| Net OPEB obligation – End of Year | \$ 46,248 | \$ 130,511 |

CITY OF CADILLAC, MICHIGAN
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The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2005 were as follows:

| | <u>Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|----------------------------------|-----------------------|-----------------------------|--|--------------------------------|
| General Retiree Health Care Plan | 6/30/2005 | \$ 96,248 | 51.95% | \$ 46,248 |
| Policemen and Firemen Retiree | 6/30/2005 | 180,511 | 27.70% | 130,511 |

Multi-year trend information will be provided in the future as it becomes available.

Funded Status and Funding Progress. The funded status of the plans as of December 31, 2004, was as follows:

| | <u>General Retiree Health Care Plan</u> | <u>Policemen and Firemen Retiree Health Care Plan</u> |
|---|---|---|
| Actuarial accrued liability (a) | \$ 1,133,778 | \$ 2,045,075 |
| Actuarial value of plan assets (b) | <u>0</u> | <u>0</u> |
| Unfunded actuarial accrued liability (funding excess) (a) – (b) | \$ <u>1,133,778</u> | \$ <u>2,045,075</u> |
| Funded ratio (b) / (a) | 0 % | 0 % |
| Covered payroll (c) | \$ 1,384,857 | \$ 1,111,519 |
| Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) – (b)] / (c)) | 81.87 % | 183.99 % |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the city and plan members to that point.

CITY OF CADILLAC, MICHIGAN
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Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

| | <u>General Retiree Health Care Plan</u> | <u>Policemen and Firemen Retiree Health Care Plan</u> |
|-------------------------------|---|---|
| Actuarial valuation date | 12/31/2004 | 12/31/2004 |
| Actuarial cost method | Entry age | Entry age |
| Amortization method | Level percentage of pay over 30 years | Level percentage of pay over 30 years |
| Remaining amortization period | 30 years | 30 years |
| Asset valuation method | N/A | N/A |
| Actuarial assumptions: | | |
| Investment rate of return | 8% | 8% |
| Projected salary increases | 4.5% | 4.5% |
| Healthcare inflation rate | 12% initial 4.5% ultimate | 12% initial 4.5% ultimate |

I. Employee Retirement Systems

The City maintains a single-employer, defined benefit pension plan (Policemen and Firemen Retirement System) which covers all policemen and firemen, and participates in an agent multi-employer defined benefit pension plan with the Municipal Employees Retirement System (MERS), administered by the State of Michigan for coverage of substantially all of the City's general employees and the Water and Sewer System employees.

Plan Description. The **Policemen and Firemen Retirement System** (PFRS) is a single-employer defined benefit pension plan which is administered by the City. The PFRS provides retirement, disability and death benefits to all full-time members of the City's police and fire departments and their beneficiaries. Act No. 345 of the Public Acts of 1937, as amended, and the Michigan Constitution assign authority to the City's retirement board to establish and amend benefit provisions. The Cadillac Policeman and Fireman Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for a single-employer pension plan. That report may be obtained by writing to the City of Cadillac, 200 North Lake Street, Cadillac, MI 49601.

CITY OF CADILLAC, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

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Funding Policy. The contribution requirements of the City are established and may be amended by the retirement board. Police department members are required to contribute 5.50% of their annual covered payroll. The City is required to contribute at actuarially determined rates; the current rates are 25.26% for police and 26.58% for fire of annual covered payroll. The City pays all costs of administering the plan.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the PFRS for the current year were as follows:

| | |
|---|------------|
| Annual required contribution | \$ 446,560 |
| Interest on net pension obligation | 0 |
| Adjustment to annual required contribution | 0 |
| Annual pension cost | \$ 446,560 |
| Contributions made | 446,560 |
| Increase (decrease) in net pension obligation | \$ 0 |
| Net pension obligation beginning of year | 0 |
| Net pension obligation end of year | \$ 0 |

The annual required contribution for the current year was determined as part of the June 30, 2004, actuarial valuation using the entry-age normal cost valuation method. The actuarial assumptions included (a) 7.50% investment rate of return (administrative expenses are paid by the City) and (b) projected salary increases ranging from 4.50% to 7.50% per year. Both (a) and (b) included an inflation component of 4.50%. The assumptions did not include post-retirement benefit increases, which are currently not provided for in the plan. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a closed period of 15 future years.

Four-Year Trend Information for PFRS

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/02 | \$ 228,793 | 100.0 % | 0 |
| 6/30/03 | 268,859 | 100.0 | 0 |
| 6/30/04 | 334,368 | 100.0 | 0 |
| 6/30/05 | 446,560 | 100.0 | 0 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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Schedule of Funding Progress for PFRS

(Dollar amounts in millions)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarially Accrued Liability(AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b) - (a) | Funded Ratio (a)/(b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--|----------------------------|---------------------------|---|
| 6/30/01 | \$ 6.0 | \$ 5.9 | \$ (0.1) | 101.7 | % \$ 1.4 | (7.14) % |
| 6/30/02 | 6.0 | 7.0 | 1.0 | 85.7 | 1.4 | 71.43 |
| 6/30/03 | 5.9 | 7.3 | 1.4 | 80.8 | 1.2 | 116.70 |
| 6/30/04 | 5.8 | 8.0 | 2.2 | 72.5 | 1.4 | 157.10 |

Plan Description. Substantially all full-time employees of the City who are not members of the Policeman and Fireman Retirement System are members of the **Municipal Employees Retirement System of Michigan** (MERS) which provides retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer pension plan administered by the State of Michigan. Act No. 427 of the Public Acts of 1984, as amended, assigns the authority to establish and amend the benefit provisions of the plans that participate in MERS to the respective employer entities. In this case, the authority rests with the City. The MERS issues a publicly available financial report that includes statements and required supplementary information for MERS. That report may be obtained by writing to The Retirement Board, Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, MI 48917.

Funding Policy. MERS members are not required to make any contributions to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 0% of annual covered payroll because the plan is over funded. The contribution requirements of plan members and the City are established and may be amended by the MERS board of trustees.

Annual Pension Cost. Because the plan is overfunded, there have been no required or actual contributions for over ten years. The required contribution was most recently determined as part of the December 31, 2004 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 12.90 year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Positive unfunded accrued liability (if any) is amortized as a level percentage of payroll over a closed period of 30 years, while negative unfunded liability (if any) is amortized as a level percentage of payroll over a closed period of 10 years.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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Four-Year Trend Information for MERS

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| 6/30/01 | \$ 0 | 100.0 % | \$ 0 |
| 6/30/02 | 0 | 100.0 | 0 |
| 6/30/03 | 0 | 100.0 | 0 |
| 6/30/04 | 0 | 100.0 | 0 |

Schedule of Funding Progress for MERS

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarially Accrued Liability(AAL) - Entry Age (b) | Unfunded (Overfunded) AAL (UAAL) (b - a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|--|--------------------------|---------------------------|---|
| 12/31/01 | \$ 9,785 | \$ 7,992 | \$ (1,793) | 122.4% | \$ 2,469 | (72.62%) |
| 12/31/02 | 9,712 | 8,358 | (1,354) | 116.2% | 2,520 | (53.73%) |
| 12/31/03 | 10,054 | 8,911 | (1,143) | 112.8% | 2,639 | (43.31%) |
| 12/31/04 | 9,991 | 9,170 | (821) | 109.0% | 2,451 | (33.50%) |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

J. Component Unit Disclosures

The following presents the condensed financial statements for each of the four discretely presented component units.

Condensed Financial Statements - Discretely Presented Component Units
Balance Sheets

| | DOWNTOWN DEVELOPMENT AUTHORITY | ECONOMIC DEVELOPMENT CORPORATION | LOCAL DEVELOPMENT FINANCE AUTHORITY |
|--|--------------------------------------|--|--|
| Assets | | | |
| Current Assets | \$ 54,427 | \$ 1,167 | \$ 2,359,219 |
| Capital Assets - Net | 0 | 0 | 168,986 |
| TOTAL ASSETS | \$ 54,427 | \$ 1,167 | \$ 2,528,205 |
| Liabilities | | | |
| Current Liabilities | \$ 7,901 | \$ 0 | \$ 52,419 |
| Due to Other Governments | 40,339 | 0 | 4,993 |
| Total Liabilities | \$ 48,240 | \$ 0 | \$ 57,412 |
| Equity | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 0 | \$ 0 | \$ 168,986 |
| Fund Balance/ Net Assets | 6,187 | 1,167 | 2,301,807 |
| Total Equity | \$ 6,187 | \$ 1,167 | \$ 2,470,793 |
| TOTAL LIABILITIES AND EQUITY | \$ 54,427 | \$ 1,167 | \$ 2,528,205 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

| BROWNFIELD REDEVELOPMENT AUTHORITY | TOTAL |
|--|---------------------|
| \$ 99,392 | \$ 2,514,205 |
| <u>0</u> | <u>168,986</u> |
| \$ <u>99,392</u> | \$ <u>2,683,191</u> |
| | |
| \$ 0 | \$ 60,320 |
| <u>0</u> | <u>45,332</u> |
| \$ <u>0</u> | \$ <u>105,652</u> |
| | |
| \$ 0 | \$ 168,986 |
| <u>99,392</u> | <u>2,408,553</u> |
| \$ <u>99,392</u> | \$ <u>2,577,531</u> |
| | |
| \$ <u>99,392</u> | \$ <u>2,683,191</u> |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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Statements of Revenues, Expenditures, and Changes in Equity

| | DOWNTOWN DEVELOPMENT AUTHORITY | ECONOMIC DEVELOPMENT CORPORATION | LOCAL DEVELOPMENT FINANCE AUTHORITY |
|---|--------------------------------------|--|--|
| Revenues | \$ 158,764 | \$ 0 | \$ 999,827 |
| Expenditures | | | |
| Operating and Other | \$ 73,935 | \$ 0 | \$ 325,553 |
| Intergovernmental Expenditures | 111,182 | 0 | 0 |
| Debt Service | 0 | 0 | 1,252,820 |
| Total Expenditures | \$ 185,117 | \$ 0 | \$ 1,578,373 |
| Excess of Revenues Over (Under) Expenditures | \$ (26,353) | \$ 0 | \$ (578,546) |
| Equity - Beginning of Year | 32,540 | 1,167 | 2,734,101 |
| Equity - End of Year | \$ 6,187 | \$ 1,167 | \$ 2,155,555 |

Statements of Revenues, Expenses, and Changes in Net Assets

| | L.D.F.A. UTILITIES |
|--------------------------------|-----------------------|
| Revenues | \$ 19,201 |
| Expenses | |
| Operating and Other | 7,809 |
| Change in Net Assets | \$ 11,392 |
| Net Assets - Beginning of Year | 303,846 |
| Net Assets - End of Year | \$ 315,238 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
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| BROWNFIELD REDEVELOPMENT AUTHORITY | TOTAL |
|--|--------------|
| \$ 4,835 | \$ 1,163,426 |
| \$ 1,800 | \$ 401,288 |
| 0 | 111,182 |
| 0 | 1,252,820 |
| \$ 1,800 | \$ 1,765,290 |
| \$ 3,035 | \$ (601,864) |
| 96,357 | 2,864,165 |
| \$ 99,392 | \$ 2,262,301 |

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

K. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters.

The City maintains a self-insurance program to provide life insurance to retired City employees and to provide health insurance benefits for all active City employees and their families. These programs are reported in the Self-Insurance Fund (an internal service fund).

On January 5, 1981, the City Council approved Resolution 81.8 which, as amended provides \$2,500 to \$5,500 of life insurance benefits for all employees who retired on or after April 1, 1968 under either the municipal employee's retirement system (MERS) or under Act 345. Currently, 47 retirees meet those eligibility requirements. Expenditures for post-retirement life insurance benefits are recognized as claims are reported. During the year, the City incurred no post-retirement life insurance benefits. Life insurance benefits are funded by a one-time deposit to the self-insurance fund upon retirement of individual employees. The expense is charged to the retiring employee's department. The City has \$179,285 set aside for future claims.

The health insurance program is administered by an independent company, which furnishes claims review and processing. A specific insurance policy limits the City's liability to \$10,000 for any one individual participant per year and \$457,091 for aggregate plan benefits paid to all participants per year. This policy also provides group life insurance coverage for all active City employees. All fund types are charged premiums based on the number of employees they have.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

| | <u>2005</u> | <u>2004</u> |
|------------------------------------|------------------|------------------|
| Unpaid Claims, Beginning of Year | \$ 51,632 | \$ 9,811 |
| Incurred Claims (Including IBNR's) | 291,529 | 205,373 |
| Claim Payments | <u>(310,747)</u> | <u>(163,552)</u> |
| Unpaid Claims, End of Year | <u>\$ 32,414</u> | <u>\$ 51,632</u> |

The City participates in two distinct pools of municipalities within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The City pays annual premiums to each pool for the respective insurance coverage. In the event a pool member's covered loss exceeds the pools limits, all further payments become the sole obligation of the member.

CITY OF CADILLAC, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

L. Loan Conversion

The City of Cadillac previously had a Michigan Jobs Commission Loan with a balance of \$425,306. According to the agreement, the loan would become interest free and would be converted to a 50% grant if enough jobs were created. As of June 30, 2005, enough jobs were created to reduce the loan to \$212,653 interest free. The grant revenue is recorded as a special item on the Statement of Activities.

CITY OF CADILLAC, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

| | GENERAL FUND | | | | MAJOR STREET FUND | | | | LOCAL STREET FUND | | | |
|--|---------------------|---------------------|---------------------|----------------------------------|---------------------|---------------------|---------------------|----------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE WITH FINAL BUDGET |
| REVENUES | | | | | | | | | | | | |
| Taxes | \$ 3,546,100 | \$ 3,578,100 | \$ 3,638,553 | \$ 60,453 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Licenses and Permits | 1,200 | 1,200 | 1,160 | (40) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal Grants | 0 | 0 | 101,176 | 101,176 | 380,000 | 380,000 | 413,982 | 33,982 | 130,000 | 130,000 | 0 | (130,000) |
| State Grants | 1,074,500 | 1,074,500 | 1,112,128 | 37,628 | 593,200 | 593,200 | 660,966 | 67,766 | 192,000 | 192,000 | 202,872 | 10,872 |
| Contributions from Local Units | 170,200 | 200,200 | 179,443 | (20,757) | 0 | 0 | 79,259 | 79,259 | 0 | 0 | 0 | 0 |
| Charges for Services | 940,100 | 900,600 | 818,018 | (82,582) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines and Forfeits | 28,700 | 28,700 | 35,306 | 6,606 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and Rents | 54,000 | 54,000 | 44,612 | (9,388) | 14,000 | 14,000 | 12,239 | (1,761) | 0 | 0 | 6,360 | 6,360 |
| Other Revenue | 237,000 | 238,400 | 228,587 | (9,813) | 0 | 0 | 2,467 | 2,467 | 0 | 0 | 0 | 0 |
| Total Revenues | \$ 6,051,800 | \$ 6,075,700 | \$ 6,158,983 | \$ 83,283 | \$ 987,200 | \$ 987,200 | \$ 1,168,913 | \$ 181,713 | \$ 322,000 | \$ 322,000 | \$ 209,232 | \$ (112,768) |
| EXPENDITURES | | | | | | | | | | | | |
| General Government | \$ 1,542,200 | \$ 1,582,000 | \$ 1,516,972 | \$ 65,028 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Public Safety | 3,162,600 | 3,159,400 | 3,046,227 | 113,173 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Works | 602,500 | 620,800 | 603,751 | 17,049 | 1,095,000 | 1,095,000 | 1,213,340 | (118,340) | 1,172,500 | 1,096,900 | 804,854 | 292,046 |
| Culture and Recreation | 178,800 | 197,200 | 412,427 | (215,227) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Development and Assistance | 38,100 | 39,800 | 35,177 | 4,623 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 0 | 0 | 0 | 0 | 0 | 0 | 5,887 | (5,887) | 0 | 4,190 | 17,975 | (13,785) |
| Intergovernmental Expenditures | 298,800 | 300,000 | 306,387 | (6,387) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 5,823,000 | \$ 5,899,200 | \$ 5,920,941 | \$ (21,741) | \$ 1,095,000 | \$ 1,095,000 | \$ 1,219,227 | \$ (124,227) | \$ 1,172,500 | \$ 1,101,090 | \$ 822,829 | \$ 278,261 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 228,800 | \$ 176,500 | \$ 238,042 | \$ 61,542 | \$ (107,800) | \$ (107,800) | \$ (50,314) | \$ 57,486 | \$ (850,500) | \$ (779,090) | \$ (613,597) | \$ 165,493 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Bond Proceeds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 288,550 | \$ 288,550 | \$ 0 | \$ 0 | \$ 706,450 | \$ 706,450 |
| Transfers In | 240,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 933,500 | 933,500 | 393,500 | (540,000) |
| Transfers Out | (443,800) | (396,500) | (296,500) | 100,000 | (133,000) | (133,000) | (135,778) | (2,778) | (83,000) | (88,810) | (95,778) | (6,968) |
| Total Other Financing Sources (Uses) | \$ (203,800) | \$ (396,500) | \$ (296,500) | \$ 100,000 | \$ (133,000) | \$ (133,000) | \$ 152,772 | \$ 285,772 | \$ 850,500 | \$ 844,690 | \$ 1,004,172 | \$ 159,482 |
| Net Change in Fund Balance | \$ 25,000 | \$ (220,000) | \$ (58,458) | \$ 161,542 | \$ (240,800) | \$ (240,800) | \$ 102,458 | \$ 343,258 | \$ 0 | \$ 65,600 | \$ 390,575 | \$ 324,975 |
| FUND BALANCE - Beginning of Year | 1,307,710 | 1,307,710 | 1,360,947 | 53,237 | 249,290 | 249,290 | 329,173 | 79,883 | 1,010 | 1,010 | 3,627 | 2,617 |
| FUND BALANCE - End of Year | \$ 1,332,710 | \$ 1,087,710 | \$ 1,302,489 | \$ 214,779 | \$ 8,490 | \$ 8,490 | \$ 431,631 | \$ 423,141 | \$ 1,010 | \$ 66,610 | \$ 394,202 | \$ 327,592 |

CITY OF CADILLAC, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

General Health Care Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------------|--|--|---------------------------------|----------------------------|---------------------------|---|
| 12/31/2004 | \$ 0 | \$ 1,133,778 | \$ 1,133,778 | 0% | \$ 1,384,857 | 81.87% |

Policemen and Firemen Retiree Health Care

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------------|--|--|---------------------------------|----------------------------|---------------------------|---|
| 12/31/2004 | \$ 0 | \$ 2,045,075 | \$ 2,045,075 | 0% | \$ 1,111,519 | 183.99% |

In future years the most recent actuarial valuation and the two preceding valuations will be presented.

CITY OF CADILLAC, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2005

I. Budgetary Information

1. Prior to April 1, the City Manager submits to the City Council a proposed operating budget for all governmental funds for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to May 31, the budget is legally enacted through passage of a budget ordinance. Budgets are submitted on a line-item basis but adopted by the Council on a major function basis.
4. All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the City Council. General Fund expenditures may not legally exceed budgeted appropriations at the major function level. Expenditures in all other governmental funds may not exceed appropriations at the total fund level.
5. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Special Assessment Capital Projects Fund is not required to be presented as required supplemental information. All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. Four budget amendments were made during the year in a legally permissible manner.
7. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) lapse at year-end and do not constitute expenditures or liabilities because the commitments will generally be reappropriated and honored during the subsequent year.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the operating fund of the City. It is used to account for the resources devoted to finance the services traditionally associated with local government, except those activities that are required to be accounted for in another fund. Transactions are recorded on the modified accrual basis.

MAJOR STREET FUND

The Major Street Fund accounts for the financial activity of the streets designated by the State of Michigan as major thoroughfares and for the maintenance contract of the state trunklines.

LOCAL STREET FUND

The Local Street Fund receives all local street money paid to the City by the State, accounts for all construction, maintenance, traffic services, and snow and ice control on all streets classified as local.

SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

The Special Assessments Capital Projects Fund accounts for preliminary and construction work on projects that are subsequently paid from special assessments.

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 369,086 | \$ 197,797 |
| Investments | 502,987 | 575,225 |
| Receivables | | |
| Taxes | 7,019 | 9,438 |
| Accounts | 113,930 | 139,924 |
| Note | 209,610 | 51,058 |
| Accrued Interest | 5,802 | 5,135 |
| Due from Other Funds | 675,886 | 504,802 |
| Due from Other Governments | 239,122 | 158,380 |
| Inventory, At Cost | 3,222 | 5,739 |
| Prepaid Expenditures | 845 | 69,599 |
| TOTAL ASSETS | <u>\$ 2,127,509</u> | <u>\$ 1,717,097</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 129,913 | \$ 137,922 |
| Accrued Expenditures | 69,357 | 50,247 |
| Due to Other Funds | 391,533 | 21,943 |
| Due to Other Governments | 17,505 | 1,974 |
| Deferred Revenue | 216,712 | 144,064 |
| Total Liabilities | <u>\$ 825,020</u> | <u>\$ 356,150</u> |
| <u>FUND BALANCE</u> | | |
| Reserved for: | | |
| Inventory | \$ 3,222 | \$ 5,739 |
| Prepaid Expenditures | 845 | 69,599 |
| Pistol Range | 2,272 | 2,875 |
| Antique Fire Truck | 2,059 | 2,059 |
| Veterans Memorial | 1,855 | 1,855 |
| Youth Services | 844 | 844 |
| Fountain Restoration | 0 | 19,010 |
| Drug Forfeiture | 2,596 | 1,287 |
| Fire Truck | 126,002 | 126,002 |
| Fire Safety House | 2,250 | 11,008 |
| Blackburn Skate Park | 1,261 | 98,057 |
| Say Nay to Drugs | 15 | 0 |
| Unreserved | | |
| Designated for: | | |
| Sick and Vacation | 187,457 | 111,789 |
| Working Capital | 952,305 | 891,317 |
| Tax Tribunal | 19,506 | 19,506 |
| Total Fund Balance | <u>\$ 1,302,489</u> | <u>\$ 1,360,947</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 2,127,509</u> | <u>\$ 1,717,097</u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>BUDGET</u> | | <u>2005</u> | <u>2004</u> |
|---|-----------------|--------------|---------------|---------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | | |
| Taxes | \$ 3,546,100 | \$ 3,578,100 | \$ 3,638,553 | \$ 3,512,502 |
| Licenses and Permits | 1,200 | 1,200 | 1,160 | 1,390 |
| Federal Grants | 0 | 0 | 101,176 | 0 |
| State Grants | 1,074,500 | 1,074,500 | 1,112,128 | 1,157,855 |
| Contributions from Local Units | 170,200 | 200,200 | 179,443 | 161,936 |
| Charges for Services | 940,100 | 900,600 | 818,018 | 820,459 |
| Fines and Forfeits | 28,700 | 28,700 | 35,306 | 36,247 |
| Interest and Rents | 54,000 | 54,000 | 44,612 | 28,895 |
| Other Revenue | 237,000 | 238,400 | 228,587 | 371,040 |
| Total Revenues | \$ 6,051,800 | \$ 6,075,700 | \$ 6,158,983 | \$ 6,090,324 |
| <u>EXPENDITURES</u> | | | | |
| General Government | \$ 1,542,200 | \$ 1,582,000 | \$ 1,516,972 | \$ 1,752,397 |
| Public Safety | 3,162,600 | 3,159,400 | 3,046,227 | 2,739,754 |
| Public Works | 602,500 | 620,800 | 603,751 | 611,817 |
| Culture and Recreation | 178,800 | 197,200 | 412,427 | 160,109 |
| Economic Development and Assistance | 38,100 | 39,800 | 35,177 | 40,418 |
| Intergovernmental Expenditures | 298,800 | 300,000 | 306,387 | 309,852 |
| Total Expenditures | \$ 5,823,000 | \$ 5,899,200 | \$ 5,920,941 | \$ 5,614,347 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 228,800 | \$ 176,500 | \$ 238,042 | \$ 475,977 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers In | \$ 0 | \$ 0 | \$ 0 | \$ 4,260 |
| Loan Proceeds | 240,000 | 0 | 0 | 0 |
| Transfers Out | (443,800) | (396,500) | (296,500) | (258,000) |
| Total Other Financing Sources (Uses) | \$ (203,800) | \$ (396,500) | \$ (296,500) | \$ (253,740) |
| Net Change in Fund Balance | \$ 25,000 | \$ (220,000) | \$ (58,458) | \$ 222,237 |
| <u>FUND BALANCE</u> - Beginning of Year | 1,307,710 | 1,307,710 | 1,360,947 | 1,138,710 |
| <u>FUND BALANCE</u> - End of Year | \$ 1,332,710 | \$ 1,087,710 | \$ 1,302,489 | \$ 1,360,947 |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| <u>REVENUES</u> | <u>BUDGET</u> | | <u>ACTUAL</u> |
|---|---------------------|---------------------|---------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | |
| Taxes | | | |
| Property Tax | \$ 3,073,000 | \$ 3,073,000 | \$ 3,077,125 |
| Industrial Facilities Tax | 247,000 | 227,000 | 210,830 |
| Property Tax Administration Fee | 82,000 | 125,000 | 120,623 |
| Trailer Park Fees | 3,100 | 3,100 | 2,314 |
| Penalties and Interest | 51,000 | 51,000 | 62,752 |
| Payments in Lieu of Tax | | | |
| Housing Commission | 59,000 | 59,000 | 89,297 |
| Community Antenna Television | 31,000 | 40,000 | 75,612 |
| Total Taxes | <u>\$ 3,546,100</u> | <u>\$ 3,578,100</u> | <u>\$ 3,638,553</u> |
| Licenses and Permits | | | |
| Business Licenses | <u>\$ 1,200</u> | <u>\$ 1,200</u> | <u>\$ 1,160</u> |
| Federal Grants | | | |
| National Park Service Fountain Grant | \$ 0 | \$ 0 | \$ 70,000 |
| FEMA Fire Safety House Grant | 0 | 0 | 31,176 |
| Total Federal Grants | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 101,176</u> |
| State Grants | | | |
| Sales and Use Tax | \$ 1,056,000 | \$ 1,056,000 | \$ 1,065,753 |
| Telecommunications Right of Way Maintenance | 7,000 | 7,000 | 35,199 |
| Liquor Licenses | 7,700 | 7,700 | 7,732 |
| MJTC Grant | 3,800 | 3,800 | 3,444 |
| Total State Grants | <u>\$ 1,074,500</u> | <u>\$ 1,074,500</u> | <u>\$ 1,112,128</u> |
| Contributions from Local Units | | | |
| Fire Protection | \$ 130,000 | \$ 160,000 | \$ 141,878 |
| Cadillac Area Public Schools - Youth Services Officer | 40,200 | 40,200 | 37,565 |
| Total Contributions from Local Units | <u>\$ 170,200</u> | <u>\$ 200,200</u> | <u>\$ 179,443</u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | <u>BUDGET</u> | | |
|--|----------------------------|----------------------------|----------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> |
| Charges for Services | | | |
| Northflight Ambulance | \$ 50,000 | \$ 50,000 | \$ 43,762 |
| Zoning Fees | 5,400 | 5,400 | 6,639 |
| Exemption Certificate Fees | 500 | 1,000 | 1,300 |
| Police Charges | 3,800 | 3,800 | 3,267 |
| Rental Housing Ordinance Fees | 4,800 | 4,800 | 5,210 |
| Engineering Fees | 152,000 | 112,000 | 40,625 |
| Solid Waste Collection | 391,100 | 391,100 | 388,852 |
| Sale of Maps and Ordinances | 1,000 | 1,000 | 644 |
| Administration | 327,500 | 327,500 | 327,500 |
| Miscellaneous | 4,000 | 4,000 | 219 |
| Total Charges for Services | <u>\$ 940,100</u> | <u>\$ 900,600</u> | <u>\$ 818,018</u> |
| Fines and Forfeits | | | |
| Violation Bureau and Ordinance Fines | <u>\$ 28,700</u> | <u>\$ 28,700</u> | <u>\$ 35,306</u> |
| Interest and Rents | | | |
| Interest | \$ 50,000 | \$ 50,000 | \$ 42,329 |
| Land and Building Rental | 4,000 | 4,000 | 2,283 |
| Total Interest and Rents | <u>\$ 54,000</u> | <u>\$ 54,000</u> | <u>\$ 44,612</u> |
| Other Revenue | | | |
| Contributions and Donations from Private Sources | \$ 3,500 | \$ 3,500 | \$ 20,022 |
| Reimbursements - Housing Commission | 200,000 | 200,000 | 207,040 |
| Sale of Property and Equipment | 24,000 | 24,000 | (8,288) |
| Miscellaneous (Refunds and Rebates) | 9,500 | 10,900 | 9,813 |
| Total Other Revenue | <u>\$ 237,000</u> | <u>\$ 238,400</u> | <u>\$ 228,587</u> |
| TOTAL REVENUES | <u><u>\$ 6,051,800</u></u> | <u><u>\$ 6,075,700</u></u> | <u><u>\$ 6,158,983</u></u> |
| <u>OTHER FINANCING SOURCES</u> | | | |
| Loan Proceeds | <u><u>\$ 240,000</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | BUDGET | | |
|----------------------------|-------------------|-------------------|-------------------|
| | ORIGINAL | FINAL | ACTUAL |
| <u>GENERAL GOVERNMENT</u> | | | |
| Legislative | | | |
| Personal Services | \$ 14,300 | \$ 14,300 | \$ 14,290 |
| Employee Benefits | 1,100 | 1,100 | 1,123 |
| Office Supplies | 1,500 | 1,500 | 1,613 |
| Dues and Publications | 8,000 | 12,000 | 12,228 |
| Travel and Education | 14,000 | 14,000 | 13,766 |
| Ordinances and Proceedings | 5,000 | 5,000 | 5,555 |
| | <u>\$ 43,900</u> | <u>\$ 47,900</u> | <u>\$ 48,575</u> |
| City Manager | | | |
| Personal Services | \$ 109,000 | \$ 114,000 | \$ 120,296 |
| Employee Benefits | 30,000 | 24,000 | 16,280 |
| Office Supplies | 1,500 | 1,500 | 1,602 |
| Postage | 200 | 200 | 185 |
| Data Processing | 2,800 | 2,800 | 2,800 |
| Dues and Publications | 2,400 | 2,900 | 3,033 |
| Telephone | 1,200 | 2,200 | 1,753 |
| Travel and Education | 5,000 | 5,000 | 4,874 |
| Vehicle Lease | 5,000 | 5,500 | 5,300 |
| | <u>\$ 157,100</u> | <u>\$ 158,100</u> | <u>\$ 156,123</u> |
| Assistant City Manager | | | |
| Personal Services | \$ 41,000 | \$ 45,000 | \$ 45,525 |
| Employee Benefits | 14,000 | 14,000 | 5,713 |
| Office Supplies | 2,300 | 2,300 | 2,003 |
| Postage | 900 | 900 | 633 |
| Contractual Services | 34,000 | 64,000 | 70,634 |
| Data Processing | 2,800 | 2,800 | 2,800 |
| Dues and Publications | 1,500 | 2,000 | 1,736 |
| Telephone | 300 | 1,100 | 784 |
| Travel and Education | 2,000 | 2,000 | 1,417 |
| Suggestion Award Program | 500 | 500 | 167 |
| | <u>\$ 99,300</u> | <u>\$ 134,600</u> | <u>\$ 131,412</u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | BUDGET | | ACTUAL |
|-------------------------|-------------------|-------------------|-------------------|
| | ORIGINAL | FINAL | |
| Finance | | | |
| Personal Services | \$ 115,000 | \$ 117,000 | \$ 119,369 |
| Employee Benefits | 37,000 | 37,000 | 36,286 |
| Office Supplies | 14,000 | 13,900 | 14,091 |
| Postage | 2,300 | 2,300 | 2,099 |
| Audit | 8,500 | 10,300 | 10,260 |
| Data Processing | 13,200 | 13,200 | 13,200 |
| Dues and Publications | 5,500 | 6,000 | 4,772 |
| Telephone | 1,000 | 2,300 | 2,807 |
| Travel and Education | 7,000 | 9,000 | 9,861 |
| | <u>\$ 203,500</u> | <u>\$ 211,000</u> | <u>\$ 212,745</u> |
| Assessor | | | |
| Personal Services | \$ 0 | \$ 0 | \$ 759 |
| Employee Benefits | 0 | 0 | 62 |
| Office Supplies | 100 | 100 | 31 |
| Postage | 2,300 | 2,300 | 2,079 |
| Contractual Services | 60,000 | 10,000 | 5,892 |
| Wexford County Contract | 72,000 | 102,000 | 104,663 |
| Data Processing | 40,000 | 40,000 | 40,000 |
| Board of Review | 900 | 900 | 145 |
| | <u>\$ 175,300</u> | <u>\$ 155,300</u> | <u>\$ 153,631</u> |
| City Clerk/Treasurer | | | |
| Personal Services | \$ 125,000 | \$ 125,000 | \$ 129,157 |
| Employee Benefits | 65,000 | 65,000 | 52,874 |
| Office Supplies | 2,200 | 2,200 | 2,402 |
| Postage | 4,700 | 5,700 | 5,992 |
| Data Processing | 33,000 | 33,000 | 33,000 |
| Dues and Publications | 700 | 700 | 438 |
| Telephone | 200 | 200 | 0 |
| Travel and Education | 1,500 | 1,500 | 165 |
| Bad Debt Expense | 7,000 | 7,000 | 737 |
| | <u>\$ 239,300</u> | <u>\$ 240,300</u> | <u>\$ 224,765</u> |
| Election | | | |
| Personal Services | \$ 4,700 | \$ 5,700 | \$ 5,351 |
| Office Supplies | 2,500 | 2,500 | 2,567 |
| | <u>\$ 7,200</u> | <u>\$ 8,200</u> | <u>\$ 7,918</u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | BUDGET | | ACTUAL |
|-----------------------------|---------------------|---------------------|---------------------|
| | ORIGINAL | FINAL | |
| Building and Grounds | | | |
| Personal Services | \$ 9,000 | \$ 14,000 | \$ 34,339 |
| Employee Benefits | 18,000 | 18,000 | 6,459 |
| Operating Supplies | 14,000 | 14,000 | 13,209 |
| Contractual Services | 17,500 | 17,500 | 18,654 |
| Service and Lease Contracts | 13,100 | 13,100 | 9,756 |
| Insurance | 67,900 | 87,900 | 88,369 |
| Utilities | 80,000 | 100,000 | 72,986 |
| Repairs and Maintenance | 12,000 | 12,000 | 15,066 |
| Equipment Rental | 6,900 | 6,900 | 5,808 |
| Capital Outlay | 106,000 | 71,000 | 60,372 |
| Parking Lot | 1,800 | 1,800 | 1,711 |
| | <u>\$ 346,200</u> | <u>\$ 356,200</u> | <u>\$ 326,729</u> |
| Legal | | | |
| Office Supplies | \$ 1,800 | \$ 1,300 | \$ 900 |
| Contractual Services | 80,000 | 80,000 | 76,500 |
| Travel and Education | 500 | 1,000 | 975 |
| | <u>\$ 82,300</u> | <u>\$ 82,300</u> | <u>\$ 78,375</u> |
| Engineer | | | |
| Personal Services | \$ 102,000 | \$ 102,000 | \$ 94,654 |
| Employee Benefits | 44,000 | 44,000 | 41,976 |
| Office Supplies | 3,000 | 3,000 | 2,489 |
| Postage | 200 | 200 | 120 |
| Contractual Services | 12,000 | 10,800 | 10,841 |
| Data Processing | 13,200 | 13,200 | 13,200 |
| Dues and Publications | 700 | 700 | 625 |
| Telephone | 500 | 700 | 693 |
| Travel and Education | 1,300 | 2,300 | 1,985 |
| Equipment Rental | 3,200 | 3,200 | 2,116 |
| Capital Outlay | 8,000 | 8,000 | 8,000 |
| | <u>\$ 188,100</u> | <u>\$ 188,100</u> | <u>\$ 176,699</u> |
| Total General Government | <u>\$ 1,542,200</u> | <u>\$ 1,582,000</u> | <u>\$ 1,516,972</u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | | BUDGET | | |
|---------------------------------|----|-----------|--------------|--------------|
| | | ORIGINAL | FINAL | ACTUAL |
| <u>PUBLIC SAFETY</u> | | | | |
| Police | | | | |
| Personal Services | | | | |
| Supervisory | \$ | 138,000 | \$ 138,000 | \$ 117,397 |
| Regular | | 618,000 | 618,000 | 654,219 |
| Staff | | 71,000 | 71,000 | 71,627 |
| Crossing Guards | | 11,700 | 11,700 | 8,162 |
| Volunteers | | 5,000 | 5,000 | 4,608 |
| Summer Patrol | | 21,200 | 21,200 | 17,502 |
| Overtime | | 82,000 | 52,000 | 56,545 |
| Employee Benefits | | 491,000 | 491,000 | 591,119 |
| Office Supplies | | 7,500 | 7,500 | 8,620 |
| Operating Supplies | | 38,900 | 38,400 | 40,985 |
| Community Service Supplies | | 2,000 | 400 | 1,676 |
| Uniform Cleaning | | 9,500 | 9,500 | 9,500 |
| Data Processing | | 41,800 | 41,800 | 41,800 |
| Dues and Publications | | 1,900 | 2,100 | 1,932 |
| Radio and Equipment Maintenance | | 4,800 | 4,600 | 4,487 |
| Telephone | | 5,700 | 6,400 | 6,814 |
| Travel and Education | | 32,600 | 31,400 | 31,570 |
| Car Allowance | | 3,000 | 3,000 | 3,000 |
| Vehicle Repairs and Maintenance | | 27,600 | 24,600 | 25,079 |
| Uniforms and Maintenance | | 12,500 | 8,800 | 9,123 |
| Equipment Rental | | 16,400 | 16,400 | 16,353 |
| Copier Lease | | 3,500 | 3,500 | 3,810 |
| Capital Outlay | | 24,000 | 33,300 | 34,243 |
| | \$ | 1,669,600 | \$ 1,639,600 | \$ 1,760,171 |
| Fire | | | | |
| Personal Services | | | | |
| Supervisory | \$ | 31,000 | \$ 31,000 | \$ 31,855 |
| Regular | | 435,000 | 428,100 | 434,300 |
| Volunteers | | 44,000 | 34,000 | 26,771 |
| Overtime | | 102,000 | 135,000 | 140,791 |
| Employee Benefits | | 359,000 | 359,000 | 422,410 |
| Office Supplies | | 1,600 | 1,600 | 1,311 |
| Operating Supplies | | 21,800 | 18,700 | 17,987 |
| Community Service Supplies | | 2,000 | 1,000 | 0 |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | BUDGET | | ACTUAL |
|---------------------------------|---------------------|---------------------|---------------------|
| | ORIGINAL | FINAL | |
| Uniform Cleaning | 2,200 | 2,200 | 2,167 |
| Subsistence Allowance | 10,000 | 10,000 | 14,466 |
| Data Processing | 6,600 | 6,600 | 6,600 |
| Dues and Publications | 2,200 | 2,200 | 1,905 |
| Radio and Equipment Maintenance | 4,700 | 4,700 | 4,654 |
| Telephone | 1,900 | 1,900 | 1,497 |
| Travel and Education | 14,500 | 14,500 | 14,726 |
| Vehicle Repairs and Maintenance | 12,200 | 22,200 | 19,711 |
| Uniforms and Maintenance | 13,700 | 12,900 | 13,113 |
| Vehicle Lease | 0 | 0 | 656 |
| Employee Safety | 3,200 | 3,200 | 3,200 |
| Capital Outlay | 344,000 | 348,900 | 48,991 |
| | <u>\$ 1,411,600</u> | <u>\$ 1,437,700</u> | <u>\$ 1,207,111</u> |
| Planning and Zoning | | | |
| Personal Services | \$ 44,000 | \$ 44,000 | \$ 48,697 |
| Employee Benefits | 22,000 | 22,000 | 20,965 |
| Office Supplies | 1,800 | 1,800 | 1,187 |
| Postage | 600 | 600 | 546 |
| Contractual Services | 7,000 | 7,000 | 138 |
| Data Processing | 2,800 | 2,800 | 2,800 |
| Dues and Publications | 1,100 | 1,300 | 1,461 |
| Telephone | 400 | 400 | 381 |
| Travel and Education | 800 | 1,300 | 1,225 |
| Publishing | 0 | 0 | 945 |
| Equipment Rental | 900 | 900 | 600 |
| | <u>\$ 81,400</u> | <u>\$ 82,100</u> | <u>\$ 78,945</u> |
| Total Public Safety | <u>\$ 3,162,600</u> | <u>\$ 3,159,400</u> | <u>\$ 3,046,227</u> |

PUBLIC WORKS

| | | | |
|--------------------|-------------------|-------------------|-------------------|
| Miscellaneous | | | |
| Personal Services | \$ 3,500 | \$ 4,500 | \$ 2,234 |
| Employee Benefits | 1,900 | 1,900 | 2,207 |
| Street Lighting | 94,300 | 92,300 | 87,619 |
| Maintenance of Dam | 2,000 | 2,000 | 1,480 |
| Equipment Rental | 8,400 | 9,400 | 8,355 |
| Hydrant Rental | 22,700 | 22,700 | 24,592 |
| Property Taxes | 1,400 | 1,700 | 1,656 |
| | <u>\$ 134,200</u> | <u>\$ 134,500</u> | <u>\$ 128,143</u> |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | BUDGET | | ACTUAL |
|-------------------------------|-------------------|-------------------|-------------------|
| | ORIGINAL | FINAL | |
| Sidewalks and Alleys | | | |
| Personal Services | \$ 11,800 | \$ 11,800 | \$ 8,880 |
| Employee Benefits | 4,600 | 4,600 | 5,907 |
| Operating Supplies | 1,600 | 1,600 | 1,767 |
| Contractual Services | 0 | 0 | 215 |
| Equipment Rental | 10,700 | 13,700 | 11,669 |
| | <u>\$ 28,700</u> | <u>\$ 31,700</u> | <u>\$ 28,438</u> |
| Leaves | | | |
| Personal Services | \$ 6,400 | \$ 8,400 | \$ 4,921 |
| Employee Benefits | 3,500 | 3,500 | 4,342 |
| Equipment Rental | 32,000 | 32,000 | 24,239 |
| | <u>\$ 41,900</u> | <u>\$ 43,900</u> | <u>\$ 33,502</u> |
| Grass and Weed Control | | | |
| Personal Services | \$ 3,900 | \$ 7,900 | \$ 5,733 |
| Employee Benefits | 2,100 | 2,100 | 3,074 |
| Equipment Rental | 6,800 | 14,800 | 22,968 |
| | <u>\$ 12,800</u> | <u>\$ 24,800</u> | <u>\$ 31,775</u> |
| Composting | | | |
| Personal Services | \$ 4,800 | \$ 4,800 | \$ 3,864 |
| Employee Benefits | 2,600 | 2,600 | 2,409 |
| Contractual Services | 3,400 | 3,400 | 0 |
| Equipment Rental | 4,500 | 4,500 | 1,329 |
| | <u>\$ 15,300</u> | <u>\$ 15,300</u> | <u>\$ 7,602</u> |
| Waste Removal | | | |
| Personal Services | \$ 200 | \$ 200 | \$ 0 |
| Employee Benefits | 100 | 100 | 0 |
| Removal Contract | 366,000 | 366,000 | 370,644 |
| County Landfill Fees | 3,200 | 4,200 | 3,647 |
| Equipment Rental | 100 | 100 | 0 |
| | <u>\$ 369,600</u> | <u>\$ 370,600</u> | <u>\$ 374,291</u> |
| Total Public Works | <u>\$ 602,500</u> | <u>\$ 620,800</u> | <u>\$ 603,751</u> |
| <u>CULTURE AND RECREATION</u> | | | |
| Arts Council | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| Parks | | | |
| Personal Services | 58,300 | 65,300 | 78,627 |
| Employee Benefits | 15,000 | 15,000 | 16,962 |
| Operating Supplies | 14,000 | 15,400 | 16,332 |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | BUDGET | | ACTUAL |
|---|--------------|--------------|--------------|
| | ORIGINAL | FINAL | |
| Contractual Services | 3,500 | 3,500 | 460 |
| Telephone | 600 | 600 | 512 |
| Travel and Education | 200 | 200 | 0 |
| Utilities | 13,000 | 15,000 | 17,519 |
| Repairs and Maintenance | 19,600 | 24,600 | 28,160 |
| Equipment Rental | 8,900 | 11,900 | 12,468 |
| Building Rental | 1,100 | 1,100 | 1,100 |
| Capital Outlay | 34,100 | 34,100 | 229,787 |
| Total Culture and Recreation | \$ 178,800 | \$ 197,200 | \$ 412,427 |
| <u>ECONOMIC DEVELOPMENT AND ASSISTANCE</u> | | | |
| Community Promotions | | | |
| Personal Services | \$ 12,000 | \$ 12,000 | \$ 9,561 |
| Employee Benefits | 6,600 | 6,600 | 6,356 |
| Operating Supplies | 1,400 | 1,700 | 1,503 |
| Newsletter | 3,700 | 3,700 | 2,209 |
| Contractual Services | 4,500 | 5,500 | 6,708 |
| Utilities | 2,100 | 2,100 | 942 |
| Equipment Rental | 6,800 | 6,800 | 7,498 |
| Special Projects | 0 | 400 | 400 |
| Chamber of Commerce | 1,000 | 1,000 | 0 |
| Total Economic Development and Assistance | \$ 38,100 | \$ 39,800 | \$ 35,177 |
| <u>INTERGOVERNMENTAL EXPENDITURES</u> | | | |
| Recreation | | | |
| Cadillac Community Schools Recreation Program | \$ 66,200 | \$ 66,200 | \$ 66,200 |
| Wexford County Swimmers' Itch Control Program | 0 | 1,000 | 735 |
| Housing | | | |
| Cadillac Housing Commission | 200,000 | 200,000 | 206,457 |
| Airport | | | |
| Wexford County Airport Authority | 31,800 | 31,800 | 31,800 |
| Clam Lake Township | 800 | 1,000 | 1,195 |
| Total Intergovernmental Expenditures | \$ 298,800 | \$ 300,000 | \$ 306,387 |
| TOTAL EXPENDITURES | \$ 5,823,000 | \$ 5,899,200 | \$ 5,920,941 |

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2005

| | <u>BUDGET</u> | | <u>ACTUAL</u> |
|---------------------------------------|-------------------|-------------------|-------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | |
| <u>OTHER FINANCING USES</u> | | | |
| Transfers Out | | | |
| Sick and Vacation Funding | \$ 85,300 | \$ 38,000 | \$ 0 |
| Local Street Fund | 296,500 | 296,500 | 296,500 |
| Policemen and Firemen Retirement Fund | 62,000 | 62,000 | 0 |
| | <u>\$ 443,800</u> | <u>\$ 396,500</u> | <u>\$ 296,500</u> |

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 89,615 | \$ 30,903 |
| Investments | 457,164 | 168,070 |
| Receivables | | |
| Accrued Interest | 7,995 | 3,937 |
| Due from Other Funds | 0 | 46,514 |
| Due from Other Governments | 97,716 | 106,472 |
| Prepaid Expenditures | 0 | 827 |
| | | |
| TOTAL ASSETS | <u>\$ 652,490</u> | <u>\$ 356,723</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 14,153 | \$ 4,212 |
| Accrued Expenditures | 6,720 | 3,096 |
| Due to Other Funds | 199,986 | 20,242 |
| | | |
| Total Liabilities | <u>\$ 220,859</u> | <u>\$ 27,550</u> |
| <u>FUND BALANCE</u> | | |
| Reserved for: | | |
| Prepaid Expenditures | \$ 0 | \$ 827 |
| Unreserved | | |
| Designated for Street Improvements | 431,631 | 328,346 |
| | | |
| Total Fund Balance | <u>\$ 431,631</u> | <u>\$ 329,173</u> |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 652,490</u> | <u>\$ 356,723</u> |

CITY OF CADILLAC, MICHIGAN

MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>BUDGET</u> | | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|---------------------|-------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | | |
| Federal Grants | | | | |
| MDOT - Street Improvements | \$ 380,000 | \$ 380,000 | \$ 413,982 | \$ 0 |
| State Grants | | | | |
| Motor Vehicle Highway Fund (Act 51) | 485,000 | 485,000 | 543,405 | 532,359 |
| State Trunkline Maintenance | 108,200 | 108,200 | 117,561 | 99,688 |
| Contributions from Local Units | | | | |
| D.D.A. Capital Projects | 0 | 0 | 79,259 | 4,220 |
| Interest and Rents | | | | |
| Interest | 14,000 | 14,000 | 12,239 | 0 |
| Other Revenue | | | | |
| Refunds and Rebates | 0 | 0 | 2,467 | 0 |
| Total Revenues | <u>\$ 987,200</u> | <u>\$ 987,200</u> | <u>\$ 1,168,913</u> | <u>\$ 636,267</u> |
| <u>EXPENDITURES</u> | | | | |
| Major Streets | | | | |
| Construction - Streets | <u>\$ 525,000</u> | <u>\$ 525,000</u> | <u>\$ 750,155</u> | <u>\$ 86,799</u> |
| Surface Maintenance | | | | |
| Personal Services | \$ 24,500 | \$ 24,500 | \$ 12,803 | \$ 14,018 |
| Employee Benefits | 13,600 | 13,600 | 5,070 | 9,715 |
| Materials | 13,400 | 13,400 | 8,040 | 7,243 |
| Equipment Rental | 14,300 | 14,300 | 14,041 | 10,216 |
| | <u>\$ 65,800</u> | <u>\$ 65,800</u> | <u>\$ 39,954</u> | <u>\$ 41,192</u> |
| Sweeping and Flushing | | | | |
| Personal Services | \$ 4,800 | \$ 4,800 | \$ 2,423 | \$ 3,183 |
| Employee Benefits | 2,600 | 2,600 | 1,145 | 2,206 |
| Equipment Rental | 27,600 | 27,600 | 14,967 | 17,926 |
| | <u>\$ 35,000</u> | <u>\$ 35,000</u> | <u>\$ 18,535</u> | <u>\$ 23,315</u> |
| Forestry | | | | |
| Personal Services | \$ 20,500 | \$ 20,500 | \$ 7,835 | \$ 10,328 |
| Employee Benefits | 11,300 | 11,300 | 3,707 | 7,158 |
| Materials | 2,500 | 2,500 | 2,597 | 2,959 |
| Contractual Services | 1,500 | 1,500 | 700 | 0 |

CITY OF CADILLAC, MICHIGAN

MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | BUDGET | | 2005 | 2004 |
|----------------------|-----------|-----------|-----------|------------|
| | ORIGINAL | FINAL | ACTUAL | ACTUAL |
| Travel and Education | 700 | 700 | 642 | 643 |
| Equipment Rental | 22,100 | 22,100 | 9,611 | 16,128 |
| | \$ 58,600 | \$ 58,600 | \$ 25,092 | \$ 37,216 |
| Catch Basins | | | | |
| Personal Services | \$ 5,400 | \$ 5,400 | \$ 4,831 | \$ 2,662 |
| Employee Benefits | 3,000 | 3,000 | 1,937 | 1,845 |
| Materials | 4,500 | 4,500 | 1,188 | 75 |
| Contractual Services | 4,000 | 4,000 | 0 | 2,000 |
| Equipment Rental | 7,200 | 7,200 | 12,422 | 6,200 |
| | \$ 24,100 | \$ 24,100 | \$ 20,378 | \$ 12,782 |
| Drainage | | | | |
| Personal Services | \$ 4,400 | \$ 4,400 | \$ 4,951 | \$ 6,404 |
| Employee Benefits | 2,400 | 2,400 | 3,483 | 4,438 |
| Materials | 0 | 0 | 31 | 0 |
| Equipment Rental | 1,500 | 1,500 | 1,600 | 2,430 |
| | \$ 8,300 | \$ 8,300 | \$ 10,065 | \$ 13,272 |
| Traffic Services | | | | |
| Personal Services | \$ 14,400 | \$ 14,400 | \$ 14,615 | \$ 7,952 |
| Employee Benefits | 8,000 | 8,000 | 6,881 | 5,511 |
| Materials | 11,000 | 11,000 | 10,479 | 13,368 |
| Equipment Rental | 5,800 | 5,800 | 9,142 | 3,785 |
| Contractual Services | 21,000 | 21,000 | 16,008 | 15,378 |
| | \$ 60,200 | \$ 60,200 | \$ 57,125 | \$ 45,994 |
| Winter Maintenance | | | | |
| Personal Services | \$ 22,000 | \$ 22,000 | \$ 17,550 | \$ 19,797 |
| Employee Benefits | 12,100 | 12,100 | 11,928 | 13,720 |
| Materials | 13,700 | 13,700 | 12,320 | 11,750 |
| Equipment Rental | 47,400 | 47,400 | 46,880 | 55,709 |
| | \$ 95,200 | \$ 95,200 | \$ 88,678 | \$ 100,976 |
| Administration | | | | |
| Personal Services | \$ 41,000 | \$ 40,000 | \$ 39,534 | \$ 37,797 |
| Employee Benefits | 16,000 | 16,000 | 12,982 | 13,394 |
| Audit | 1,900 | 1,900 | 1,800 | 1,800 |
| Data Processing | 15,300 | 15,300 | 15,300 | 13,900 |

CITY OF CADILLAC, MICHIGAN

MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | BUDGET | | 2005 | 2004 |
|-----------------------------|------------|------------|------------|------------|
| | ORIGINAL | FINAL | ACTUAL | ACTUAL |
| Office Supplies | 0 | 0 | 0 | 528 |
| Travel and Education | 1,600 | 1,600 | 201 | 335 |
| Equipment Rental | 5,900 | 6,900 | 6,671 | 6,518 |
| Administrative | 32,900 | 32,900 | 32,900 | 33,200 |
| | \$ 114,600 | \$ 114,600 | \$ 109,388 | \$ 107,472 |
| State Trunkline Maintenance | | | | |
| Surface Maintenance | | | | |
| Personal Services | \$ 1,500 | \$ 2,000 | \$ 2,412 | \$ 491 |
| Employee Benefits | 800 | 800 | 953 | 341 |
| Materials | 600 | 1,600 | 2,119 | 354 |
| Equipment Rental | 1,100 | 2,600 | 2,871 | 456 |
| | \$ 4,000 | \$ 7,000 | \$ 8,355 | \$ 1,642 |
| Sweeping and Flushing | | | | |
| Personal Services | \$ 400 | \$ 400 | \$ 410 | \$ 544 |
| Employee Benefits | 200 | 200 | 229 | 377 |
| Equipment Rental | 2,300 | 2,300 | 2,237 | 2,554 |
| | \$ 2,900 | \$ 2,900 | \$ 2,876 | \$ 3,475 |
| Winter Maintenance | | | | |
| Personal Services | \$ 18,200 | \$ 14,200 | \$ 13,306 | \$ 14,612 |
| Employee Benefits | 10,000 | 10,000 | 8,573 | 10,127 |
| Materials | 18,900 | 18,900 | 14,910 | 12,957 |
| Equipment Rental | 31,300 | 31,300 | 28,030 | 28,632 |
| | \$ 78,400 | \$ 74,400 | \$ 64,819 | \$ 66,328 |
| Traffic Signals | | | | |
| Utilities | \$ 8,100 | \$ 8,100 | \$ 6,307 | \$ 6,748 |
| Trees & Shrubs | | | | |
| Personal Services | \$ 0 | \$ 500 | \$ 218 | \$ 0 |
| Employee Benefits | 0 | 200 | 193 | 0 |
| Equipment Rental | 0 | 300 | 274 | 0 |
| | \$ 0 | \$ 1,000 | \$ 685 | \$ 0 |
| Drainage | | | | |
| Personal Services | \$ 1,200 | \$ 1,200 | \$ 312 | \$ 491 |
| Employee Benefits | 700 | 700 | 37 | 561 |

CITY OF CADILLAC, MICHIGAN

MAJOR STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | BUDGET | | 2005 | 2004 |
|---|---------------------|---------------------|---------------------|---------------------|
| | ORIGINAL | FINAL | ACTUAL | ACTUAL |
| Materials | 500 | 500 | 0 | 0 |
| Repairs and Maintenance | 500 | 500 | 0 | 0 |
| Equipment Rental | 100 | 100 | 9 | 11 |
| Contractual Services | 1,000 | 1,000 | 0 | 3,397 |
| | <u>\$ 4,000</u> | <u>\$ 4,000</u> | <u>\$ 358</u> | <u>\$ 4,460</u> |
| Snow Hauling | | | | |
| Personal Services | \$ 3,700 | \$ 2,800 | \$ 2,752 | \$ 3,796 |
| Employee Benefits | 2,000 | 2,300 | 2,208 | 2,631 |
| Equipment Rental | 5,100 | 5,700 | 5,610 | 7,085 |
| | <u>\$ 10,800</u> | <u>\$ 10,800</u> | <u>\$ 10,570</u> | <u>\$ 13,512</u> |
| Debt Service | | | | |
| Bond Issuance Costs | \$ 0 | \$ 0 | \$ 5,887 | \$ 0 |
| | <u>\$ 1,095,000</u> | <u>\$ 1,095,000</u> | <u>\$ 1,219,227</u> | <u>\$ 565,183</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (107,800)</u> | <u>\$ (107,800)</u> | <u>\$ (50,314)</u> | <u>\$ 71,084</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Bond Proceeds | \$ 0 | \$ 0 | \$ 288,550 | \$ 0 |
| Transfers In (Out) | | | | |
| 1990 Michigan Transportation Fund Debt Retirement Fund | (36,000) | (36,000) | (35,932) | (38,600) |
| Local Street Fund | (97,000) | (97,000) | (97,000) | (66,900) |
| 2004 Capital Improvement Bonds Debt Retirement Fund | 0 | 0 | (2,846) | 0 |
| | <u>\$ (133,000)</u> | <u>\$ (133,000)</u> | <u>\$ 152,772</u> | <u>\$ (105,500)</u> |
| Net Other Financing Sources (Uses) | <u>\$ (133,000)</u> | <u>\$ (133,000)</u> | <u>\$ 152,772</u> | <u>\$ (105,500)</u> |
| Net Change in Fund Balance | <u>\$ (240,800)</u> | <u>\$ (240,800)</u> | <u>\$ 102,458</u> | <u>\$ (34,416)</u> |
| <u>FUND BALANCE</u> - Beginning of Year | <u>249,290</u> | <u>249,290</u> | <u>329,173</u> | <u>363,589</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 8,490</u> | <u>\$ 8,490</u> | <u>\$ 431,631</u> | <u>\$ 329,173</u> |

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|-------------------|-------------------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 98,834 | \$ 3,760 |
| Investments | 327,084 | 0 |
| Receivables | | |
| Accrued Interest | 3,903 | 0 |
| Due from Other Funds | 9,577 | 235,293 |
| Due from Other Governments | 32,667 | 35,261 |
| Prepaid Expenditures | 0 | 769 |
| | <hr/> | |
| TOTAL ASSETS | <u>\$ 472,065</u> | <u>\$ 275,083</u> |
| | <hr/> | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 2,929 | \$ 155 |
| Accrued Expenditures | 3,930 | 5,762 |
| Due to Other Funds | 71,004 | 265,539 |
| | <hr/> | |
| Total Liabilities | <u>\$ 77,863</u> | <u>\$ 271,456</u> |
| | <hr/> | |
| <u>FUND BALANCE</u> | | |
| Reserved for Prepaid Expenditures | \$ 0 | \$ 769 |
| Unreserved | | |
| Designated for Street Improvements | 394,202 | 2,858 |
| | <hr/> | |
| Total Fund Balance | <u>\$ 394,202</u> | <u>\$ 3,627</u> |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 472,065</u> | <u>\$ 275,083</u> |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>BUDGET</u> | | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | | |
| Federal Grants | | | | |
| MDOT - Street Improvements | \$ 130,000 | \$ 130,000 | \$ 0 | \$ 64,982 |
| State Grants | | | | |
| Parks and Recreation Grant | 0 | 0 | 948 | 48,618 |
| Motor Vehicle Highway Fund (Act 51) | 192,000 | 192,000 | 201,924 | 207,474 |
| Interest and Rents | | | | |
| Interest | 0 | 0 | 6,360 | 241 |
| Total Revenues | <u>\$ 322,000</u> | <u>\$ 322,000</u> | <u>\$ 209,232</u> | <u>\$ 321,315</u> |
| <u>EXPENDITURES</u> | | | | |
| Street Construction | | | | |
| Operating Supplies | \$ 0 | \$ 0 | \$ 0 | \$ 67 |
| Contractual Services | 670,000 | 670,000 | 344,895 | 497,725 |
| | <u>\$ 670,000</u> | <u>\$ 670,000</u> | <u>\$ 344,895</u> | <u>\$ 497,792</u> |
| Surface Maintenance | | | | |
| Personal Services | \$ 36,300 | \$ 0 | \$ 18,549 | \$ 15,087 |
| Employee Benefits | 0 | 12,400 | 10,455 | 10,457 |
| Materials | 18,200 | 200 | 14,027 | 8,729 |
| Equipment Rental | 23,700 | 0 | 23,921 | 18,367 |
| | <u>\$ 78,200</u> | <u>\$ 12,600</u> | <u>\$ 66,952</u> | <u>\$ 52,640</u> |
| Sweeping and Flushing | | | | |
| Personal Services | \$ 7,000 | \$ 7,000 | \$ 6,921 | \$ 5,546 |
| Employee Benefits | 3,900 | 3,900 | 3,321 | 3,844 |
| Equipment Rental | 40,200 | 40,200 | 42,624 | 30,805 |
| | <u>\$ 51,100</u> | <u>\$ 51,100</u> | <u>\$ 52,866</u> | <u>\$ 40,195</u> |
| Forestry | | | | |
| Personal Services | \$ 42,000 | \$ 42,000 | \$ 23,460 | \$ 23,081 |
| Employee Benefits | 23,100 | 23,100 | 14,264 | 15,996 |
| Materials | 5,200 | 4,200 | 4,675 | 4,169 |
| Contractual Services | 2,700 | 3,700 | 3,700 | 1,550 |
| Equipment Rental | 45,400 | 41,400 | 24,590 | 30,311 |
| | <u>\$ 118,400</u> | <u>\$ 114,400</u> | <u>\$ 70,689</u> | <u>\$ 75,107</u> |
| Catch Basins | | | | |
| Personal Services | \$ 17,600 | \$ 21,600 | \$ 22,168 | \$ 18,028 |
| Employee Benefits | 9,700 | 9,700 | 8,355 | 10,306 |
| Materials | 1,400 | 1,400 | 178 | 89 |

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | BUDGET | | 2005 | 2004 |
|----------------------|------------------|-------------------|------------------|------------------|
| | ORIGINAL | FINAL | ACTUAL | ACTUAL |
| Contractual Services | 6,000 | 3,000 | 5,351 | 3,075 |
| Utilities | 400 | 400 | 391 | 463 |
| Equipment Rental | 18,400 | 23,400 | 34,361 | 15,555 |
| | <u>\$ 53,500</u> | <u>\$ 59,500</u> | <u>\$ 70,804</u> | <u>\$ 47,516</u> |
| Drainage | | | | |
| Personal Services | \$ 6,800 | \$ 5,800 | \$ 6,099 | \$ 9,924 |
| Employee Benefits | 3,700 | 3,700 | 3,958 | 6,878 |
| Materials | 300 | 300 | 0 | 0 |
| Equipment Rental | 3,000 | 3,000 | 3,016 | 4,276 |
| | <u>\$ 13,800</u> | <u>\$ 12,800</u> | <u>\$ 13,073</u> | <u>\$ 21,078</u> |
| Traffic Services | | | | |
| Personal Services | \$ 8,300 | \$ 7,300 | \$ 7,161 | \$ 10,695 |
| Employee Benefits | 4,600 | 4,600 | 4,671 | 7,412 |
| Materials | 2,300 | 2,300 | 1,544 | 3,208 |
| Contractual Services | 300 | 300 | 0 | 300 |
| Equipment Rental | 3,600 | 3,600 | 3,066 | 4,279 |
| | <u>\$ 19,100</u> | <u>\$ 18,100</u> | <u>\$ 16,442</u> | <u>\$ 25,894</u> |
| Winter Maintenance | | | | |
| Personal Services | \$ 17,100 | \$ 12,100 | \$ 14,417 | \$ 14,851 |
| Employee Benefits | 9,400 | 9,400 | 8,378 | 10,292 |
| Materials | 9,700 | 8,700 | 8,413 | 7,612 |
| Equipment Rental | 32,800 | 27,800 | 42,803 | 51,193 |
| | <u>\$ 69,000</u> | <u>\$ 58,000</u> | <u>\$ 74,011</u> | <u>\$ 83,948</u> |
| Administration | | | | |
| Personal Services | \$ 37,000 | \$ 37,000 | \$ 35,497 | \$ 34,172 |
| Employee Benefits | 14,500 | 14,500 | 11,270 | 11,875 |
| Audit | 1,800 | 1,800 | 1,650 | 1,650 |
| Office Supplies | 0 | 0 | 0 | 24 |
| Data Processing | 11,600 | 11,600 | 11,600 | 10,500 |
| Equipment Rental | 5,900 | 6,900 | 6,505 | 5,743 |
| Administrative | 28,600 | 28,600 | 28,600 | 30,000 |
| | <u>\$ 99,400</u> | <u>\$ 100,400</u> | <u>\$ 95,122</u> | <u>\$ 93,964</u> |
| Debt Service | | | | |
| Interest | \$ 0 | \$ 4,190 | \$ 3,525 | \$ 0 |
| Bond Issuance Costs | 0 | 0 | 14,450 | 0 |
| | <u>\$ 0</u> | <u>\$ 4,190</u> | <u>\$ 17,975</u> | <u>\$ 0</u> |

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>BUDGET</u> | | <u>2005</u> | <u>2004</u> |
|--|-----------------|--------------|---------------|---------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| Total Expenditures | \$ 1,172,500 | \$ 1,101,090 | \$ 822,829 | \$ 938,134 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (850,500) | \$ (779,090) | \$ (613,597) | \$ (616,819) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Loan Proceeds | \$ 0 | \$ 0 | \$ 0 | \$ 235,000 |
| Bond Proceeds | 0 | 0 | 706,450 | 0 |
| Transfers In (Out) | | | | |
| General Fund | 296,500 | 296,500 | 296,500 | 258,000 |
| Special Assessments Capital Projects Fund | 175,000 | 175,000 | 0 | 0 |
| Capital Projects Trust Fund | 365,000 | 365,000 | 0 | 10,000 |
| James E. Potvin Industrial Park Fund | 0 | 0 | 0 | 0 |
| Major Street Fund | 97,000 | 97,000 | 97,000 | 66,900 |
| Upper Clam River Watershed Fund | 0 | 0 | 0 | 135,736 |
| 1997 Michigan Transportation Fund | | | | |
| Debt Retirement Fund | (12,600) | (13,800) | (13,800) | (13,900) |
| 1996 Michigan Transportation Fund | | | | |
| Debt Retirement Fund | (20,400) | (23,400) | (23,400) | (29,200) |
| 1993 Michigan Transportation Fund | | | | |
| Debt Retirement Fund | (20,000) | (21,610) | (21,610) | (17,800) |
| 2000 Michigan Transportation Fund | | | | |
| Debt Retirement Fund | (30,000) | (30,000) | (30,000) | (25,300) |
| 2004 Capital Improvement Bonds | | | | |
| Debt Retirement Fund | 0 | 0 | (6,968) | 0 |
| Net Other Financing Sources (Uses) | \$ 850,500 | \$ 844,690 | \$ 1,004,172 | \$ 619,436 |
| Net Change In Fund Balance | \$ 0 | \$ 65,600 | \$ 390,575 | \$ 2,617 |
| <u>FUND BALANCE</u> - Beginning of Year | 1,010 | 1,010 | 3,627 | 1,010 |
| <u>FUND BALANCE</u> - End of Year | \$ 1,010 | \$ 66,610 | \$ 394,202 | \$ 3,627 |

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 25,328 | \$ 4,297 |
| Receivables | | |
| Accrued Interest | 19,982 | 10,959 |
| Special Assessments - Current | 42,265 | 32,718 |
| Special Assessments - Deferred | 310,358 | 309,567 |
| Due from Other Funds | 326,956 | 217,361 |
| Due from Other Governments | 2,511 | 0 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 727,400 | \$ 574,902 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 131,372 | \$ 33,852 |
| Due to Other Funds | 249,471 | 214,588 |
| Deferred Revenues | 310,358 | 309,567 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 691,201 | \$ 558,007 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Special Assessment Project Construction | 36,199 | 16,895 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 727,400 | \$ 574,902 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30,

| | 2005 | 2004 |
|---|-------------------------|-------------------------|
| <u>REVENUES</u> | | |
| Taxes and Special Assessments | | |
| Special Assessments | \$ 82,832 | \$ 92,485 |
| Interest and Rents | | |
| Interest on Assessments | 20,662 | 12,222 |
| Interest on Investments | 266 | 0 |
| Total Revenues | <u>\$ 103,760</u> | <u>\$ 104,707</u> |
| <u>EXPENDITURES</u> | | |
| Capital Outlay | | |
| Audit | \$ 2,400 | \$ 2,000 |
| Office Supplies | 43 | 0 |
| Public Improvements | 111,473 | 236,877 |
| Debt Service | | |
| Principal Retirement | 44,904 | 46,179 |
| Interest and Fiscal Charges | 3,395 | 3,854 |
| Total Expenditures | <u>\$ 162,215</u> | <u>\$ 288,910</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (58,455)</u> | <u>\$ (184,203)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Loan Proceeds | \$ 0 | \$ 45,000 |
| Transfers In - 1998 Special Assessment Debt Retirement Fund | 77,759 | 0 |
| Net Other Financing Sources (Uses) | <u>\$ 77,759</u> | <u>\$ 45,000</u> |
| Net Change in Fund Balance | \$ 19,304 | \$ (139,203) |
| <u>FUND BALANCE</u> - Beginning of Year | <u>16,895</u> | <u>156,098</u> |
| <u>FUND BALANCE</u> - End of Year | <u><u>\$ 36,199</u></u> | <u><u>\$ 16,895</u></u> |

MAJOR PROPRIETARY FUNDS

WATER AND SEWER FUND

The Water and Sewer Fund records financial activity of the seven-well water system which provides water to customers and the operations of the City's tertiary treatment plant.

BUILDING AUTHORITY OPERATING FUND

The Building Authority Operating Fund was established to account for the rental of the DEQ building.

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | 2005 | 2004 |
|---------------------------------------|---------------|---------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 724,393 | \$ 136,153 |
| Investments | 565,211 | 1,259,154 |
| Receivables | | |
| Accounts | 252,486 | 235,719 |
| Unbilled Services | 292,508 | 233,568 |
| Accrued Interest | 32,617 | 34,517 |
| Cylinder Deposits | 10,500 | 10,500 |
| Due from Other Funds | 238,725 | 57,840 |
| Due from Other Governments | 7,048 | 24,086 |
| Inventory, At Cost | 191,267 | 180,972 |
| Prepaid Expense | 0 | 11,402 |
| | <hr/> | <hr/> |
| Total Current Assets | \$ 2,314,755 | \$ 2,183,911 |
| | <hr/> | <hr/> |
| <u>NONCURRENT ASSETS</u> | | |
| <u>RESTRICTED ASSETS</u> | | |
| Investments | | |
| Bond Reserve Account | \$ 1,375,543 | \$ 1,375,543 |
| Bond Replacement Account | 416,478 | 409,552 |
| | <hr/> | <hr/> |
| Total Restricted Assets | \$ 1,792,021 | \$ 1,785,095 |
| | <hr/> | <hr/> |
| <u>CAPITAL ASSETS</u> | | |
| Land and Land Improvements | \$ 124,058 | \$ 124,058 |
| Buildings | 930,747 | 912,022 |
| Improvements Other than Buildings | 27,375,834 | 27,025,957 |
| Machinery and Equipment | 1,061,121 | 998,711 |
| Construction Work in Progress | 114,984 | 75,129 |
| | <hr/> | <hr/> |
| | \$ 29,606,744 | \$ 29,135,877 |
| Less Accumulated Depreciation | 11,718,471 | 10,954,069 |
| Net Capital Assets | <hr/> | <hr/> |
| | \$ 17,888,273 | \$ 18,181,808 |
| | <hr/> | <hr/> |
| <u>OTHER ASSETS</u> | | |
| Deferred Charge - Bond Issuance Costs | \$ 97,767 | \$ 165,693 |
| | <hr/> | <hr/> |
| Total Noncurrent Assets | \$ 19,778,061 | \$ 20,132,596 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 22,092,816 | \$ 22,316,507 |
| | <hr/> | <hr/> |

| | 2005 | 2004 |
|--|---------------|---------------|
| <u>LIABILITIES</u> | | |
| <u>CURRENT LIABILITIES</u> | | |
| Accounts Payable | \$ 84,713 | \$ 55,160 |
| Accrued Interest | 124,811 | 130,385 |
| Other Accrued Expenses | 194,328 | 169,295 |
| Due to Other Funds | 132,974 | 71,749 |
| Due to Other Governments | 2,035 | 0 |
| Utility Deposits | 2,289 | 1,815 |
| Current Portion of Revenue Bonds | 350,000 | 335,000 |
| Total Current Liabilities | \$ 891,150 | \$ 763,404 |
| <u>LONG-TERM LIABILITIES</u> | | |
| 1993 Revenue Refunding Bonds (Net of Deferred Refunding Amount) | \$ 412,499 | \$ 593,321 |
| 1995 Revenue Bonds | 185,000 | 280,000 |
| 1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount) | 1,477,394 | 1,529,333 |
| 2001 Revenue Bonds (Net of Deferred Refunding Amount) | 5,097,413 | 5,098,088 |
| Total Long-Term Liabilities | \$ 7,172,306 | \$ 7,500,742 |
| TOTAL LIABILITIES | \$ 8,063,456 | \$ 8,264,146 |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 10,365,967 | \$ 10,346,066 |
| Restricted for Debt Service | 1,792,021 | 1,785,095 |
| Unrestricted | 1,871,372 | 1,921,200 |
| TOTAL NET ASSETS | \$ 14,029,360 | \$ 14,052,361 |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|---|-----------------------------|-----------------------------|
| <u>OPERATING REVENUES</u> | | |
| Sewer Charges to Customers | \$ 2,060,760 | \$ 1,937,225 |
| Water Charges to Customers | 1,045,875 | 966,279 |
| Fire Protection | 70,534 | 66,380 |
| Hydrant Rental | 22,538 | 22,700 |
| Sales of Services and Materials | 195,374 | 265,958 |
| Total Operating Revenues | <u>\$ 3,395,081</u> | <u>\$ 3,258,542</u> |
| <u>OPERATING EXPENSES</u> | | |
| Personal Services | \$ 742,774 | \$ 670,610 |
| Contractual Services | 448,638 | 405,856 |
| Supplies | 239,629 | 289,616 |
| Heat, Light and Power | 260,337 | 241,995 |
| Depreciation and Amortization | 782,718 | 750,380 |
| Employee Benefits | 403,630 | 412,674 |
| Administrative | 189,073 | 172,000 |
| Total Operating Expenses | <u>\$ 3,066,799</u> | <u>\$ 2,943,131</u> |
| Operating Income | <u>\$ 328,282</u> | <u>\$ 315,411</u> |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | \$ 85,156 | \$ 62,160 |
| Interest and Fiscal Charges | (450,120) | (416,516) |
| Loss on Sale of Assets | 0 | (36,030) |
| State Wellhead Protection Grant | 13,681 | 0 |
| Total Nonoperating Revenues (Expenses) | <u>\$ (351,283)</u> | <u>\$ (390,386)</u> |
| Income (Loss) | <u>\$ (23,001)</u> | <u>\$ (74,975)</u> |
| <u>TOTAL NET ASSETS - Beginning of Year</u> | <u>14,052,361</u> | <u>14,127,336</u> |
| <u>TOTAL NET ASSETS - End of Year</u> | <u><u>\$ 14,029,360</u></u> | <u><u>\$ 14,052,361</u></u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|------------------|------------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Customers | \$ 3,321,125 | \$ 3,200,191 |
| Cash Payments to Suppliers for Goods and Services | (1,625,690) | (1,616,364) |
| Cash Payments to Employees for Services | (717,741) | (655,692) |
| | <hr/> | <hr/> |
| Net Cash Provided by Operating Activities | \$ 977,694 | \$ 928,135 |
| | <hr/> | <hr/> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition and Construction of Capital Assets | \$ (470,867) | \$ (1,492,254) |
| Grant Proceeds | 26,860 | 34,766 |
| Refund of Bond Issuance Costs | 53,093 | 0 |
| Principal Paid | (335,000) | (330,000) |
| Interest Paid | (437,612) | (400,870) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) for Capital and Related Financing Activities | \$ (1,163,526) | \$ (2,188,358) |
| | <hr/> | <hr/> |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 87,056 | \$ 56,302 |
| Purchase of Investment Securities | (1,168,889) | (1,202,489) |
| Proceeds from Sale and Maturities of Investment Securities | 1,855,905 | 2,467,929 |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Investing Activities | \$ 774,072 | \$ 1,321,742 |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 588,240 | \$ 61,519 |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | <hr/> 136,153 | <hr/> 74,634 |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | <hr/> \$ 724,393 | <hr/> \$ 136,153 |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|-------------------|-------------------|
| <u>RECONCILIATION OF OPERATING INCOME</u> | | |
| <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | \$ 328,282 | \$ 315,411 |
| Adjustments to Reconcile Operating Income | | |
| To Net Cash Provided by Operating Activities | | |
| Depreciation and Amortization | \$ 782,718 | \$ 750,380 |
| (Increase) Decrease in Current Assets | | |
| Accounts Receivable | (75,707) | 1,856 |
| Due from Other Funds | (180,885) | (51,763) |
| Due from Other Governments-Operating | 3,859 | (8,444) |
| Inventory | (10,295) | 372 |
| Prepaid Expense | 11,402 | 14,264 |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | 29,553 | (161,172) |
| Other Accrued Expenses | 25,033 | 14,918 |
| Due to Other Funds | 61,225 | 51,469 |
| Due to Other Governments | 2,035 | 0 |
| Utility Deposits | 474 | 844 |
| Total Adjustments | \$ 649,412 | \$ 612,724 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 977,694</u> | <u>\$ 928,135</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---------------------------------|-------------------|-------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>ADMINISTRATIVE</u> | | | |
| Personal Services | \$ 270,000 | \$ 332,891 | \$ 256,309 |
| Employee Benefits | 109,300 | 203,488 | 157,725 |
| Office Supplies | 8,000 | 7,654 | 7,051 |
| Postage | 10,500 | 10,437 | 10,586 |
| Safety Supplies | 3,800 | 2,496 | 3,241 |
| Property Taxes | 7,100 | 7,017 | 7,017 |
| Contractual Services | 60,000 | 62,914 | 55,459 |
| Engineering Fees | 5,000 | 25,540 | 18,168 |
| Legal Fees | 5,000 | 254 | 7,127 |
| Audit | 5,000 | 4,800 | 4,800 |
| State Mandated Fees | 17,100 | 16,863 | 19,941 |
| Data Processing | 39,400 | 39,400 | 38,000 |
| Bad Debt Expenses | 1,000 | 0 | 1,051 |
| Insurance | 40,000 | 26,452 | 22,420 |
| Dues and Publications | 3,200 | 1,866 | 2,689 |
| Repairs and Maintenance | 500 | 331 | 995 |
| Telephone | 3,600 | 3,226 | 2,501 |
| Alarm System | 4,500 | 4,866 | 4,188 |
| Travel and Education | 9,000 | 11,608 | 7,361 |
| Employee Safety | 1,300 | 1,200 | 1,501 |
| Public Relations | 800 | 1,354 | 796 |
| Administration | 188,900 | 189,073 | 172,000 |
| | <u>\$ 793,000</u> | <u>\$ 953,730</u> | <u>\$ 800,926</u> |
| <u>BUILDINGS AND WATER TANK</u> | | | |
| Personal Services | \$ 8,500 | \$ 10,488 | \$ 16,409 |
| Employee Benefits | 5,200 | 4,137 | 10,098 |
| Operating Supplies | 11,000 | 12,509 | 10,507 |
| Repairs and Maintenance | 2,000 | 2,730 | 137 |
| | <u>\$ 26,700</u> | <u>\$ 29,864</u> | <u>\$ 37,151</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>GENERAL STREET EXPENSE</u> | | | |
| Personal Services | \$ 1,500 | \$ 85 | \$ 144 |
| Employee Benefits | 700 | 42 | 89 |
| Operating Supplies | 6,300 | 1,371 | 16,217 |
| Contractual Services | 12,900 | 7,583 | 8,209 |
| | <u>\$ 21,400</u> | <u>\$ 9,081</u> | <u>\$ 24,659</u> |
| <u>METER READING AND COLLECTION</u> | | | |
| Personal Services | \$ 22,500 | \$ 16,299 | \$ 18,341 |
| Employee Benefits | 11,100 | 8,064 | 11,287 |
| Operating Supplies | 300 | 0 | 0 |
| | <u>\$ 33,900</u> | <u>\$ 24,363</u> | <u>\$ 29,628</u> |
| <u>CUSTOMER SERVICES</u> | | | |
| Personal Services | \$ 7,500 | \$ 9,562 | \$ 5,282 |
| Employee Benefits | 3,700 | 4,730 | 3,251 |
| | <u>\$ 11,200</u> | <u>\$ 14,292</u> | <u>\$ 8,533</u> |
| <u>PUMPING STATION</u> | | | |
| Personal Services | \$ 7,500 | \$ 2,819 | \$ 6,699 |
| Employee Benefits | 3,700 | 1,068 | 4,122 |
| Operating Supplies | 8,600 | 7,199 | 6,534 |
| Chemicals | 17,300 | 15,046 | 17,490 |
| Laboratory Control | 23,500 | 21,504 | 23,993 |
| Utilities | 98,100 | 100,535 | 95,682 |
| Repairs and Maintenance | 1,800 | 2,151 | 1,433 |
| | <u>\$ 160,500</u> | <u>\$ 150,322</u> | <u>\$ 155,953</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|-------------------|-------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>MAINTENANCE - MAINS AND HYDRANTS</u> | | | |
| Personal Services | \$ 63,500 | \$ 66,513 | \$ 61,212 |
| Employee Benefits | 31,400 | 32,905 | 37,668 |
| Operating Supplies | 47,800 | 28,515 | 31,602 |
| Contractual Services | 6,000 | 1,684 | 2,628 |
| | <u>\$ 148,700</u> | <u>\$ 129,617</u> | <u>\$ 133,110</u> |
| <u>MAINTENANCE - SERVICE CONNECTIONS</u> | | | |
| Personal Services | \$ 5,600 | \$ 4,542 | \$ 5,906 |
| Employee Benefits | 2,800 | 2,247 | 3,634 |
| Operating Supplies | 6,100 | 4,045 | 5,700 |
| Repairs and Maintenance | 5,000 | 297 | 0 |
| | <u>\$ 19,500</u> | <u>\$ 11,131</u> | <u>\$ 15,240</u> |
| <u>METER - OPERATIONS</u> | | | |
| Personal Services | \$ 82,000 | \$ 80,226 | \$ 78,676 |
| Employee Benefits | 42,100 | 39,689 | 48,415 |
| Operating Supplies | 25,000 | 22,759 | 21,415 |
| | <u>\$ 149,100</u> | <u>\$ 142,674</u> | <u>\$ 148,506</u> |
| <u>WELLS AND WELL FIELDS</u> | | | |
| Personal Services | \$ 5,500 | \$ 3,866 | \$ 2,877 |
| Employee Benefits | 2,500 | 1,913 | 1,770 |
| Operating Supplies | 1,500 | 3,693 | 2,270 |
| Contractual Services | 17,000 | 37,846 | 16,562 |
| Repairs and Maintenance | 8,500 | 10,619 | 12,615 |
| | <u>\$ 35,000</u> | <u>\$ 57,937</u> | <u>\$ 36,094</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|------------------------------|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>NEW SERVICES</u> | | | |
| Personal Services | \$ 4,500 | \$ 4,394 | \$ 1,818 |
| Employee Benefits | 2,200 | 2,174 | 1,119 |
| Operating Supplies | 22,400 | 28,586 | 20,538 |
| Contractual Services | 2,700 | 1,828 | 600 |
| | <u>\$ 31,800</u> | <u>\$ 36,982</u> | <u>\$ 24,075</u> |
| <u>PRELIMINARY TREATMENT</u> | | | |
| Personal Services | \$ 8,500 | \$ 9,721 | \$ 8,471 |
| Employee Benefits | 4,200 | 4,921 | 5,213 |
| Operating Supplies | 700 | 52 | 559 |
| Utilities | 2,800 | 1,483 | 1,572 |
| Repairs and Maintenance | 1,200 | 1,438 | 12,960 |
| | <u>\$ 17,400</u> | <u>\$ 17,615</u> | <u>\$ 28,775</u> |
| <u>PRIMARY TREATMENT</u> | | | |
| Personal Services | \$ 11,100 | \$ 11,812 | \$ 11,229 |
| Employee Benefits | 5,500 | 5,844 | 6,910 |
| Operating Supplies | 200 | 37 | 281 |
| Repairs and Maintenance | 300 | 3,753 | 228 |
| | <u>\$ 17,100</u> | <u>\$ 21,446</u> | <u>\$ 18,648</u> |
| <u>SECONDARY TREATMENT</u> | | | |
| Personal Services | \$ 18,000 | \$ 12,321 | \$ 11,110 |
| Employee Benefits | 8,900 | 6,095 | 6,837 |
| Operating Supplies | 3,100 | 129 | 1,925 |
| Utilities | 39,200 | 37,075 | 39,291 |
| Repairs and Maintenance | 300 | 1,694 | 463 |
| | <u>\$ 69,500</u> | <u>\$ 57,314</u> | <u>\$ 59,626</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--------------------------------------|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>TERTIARY TREATMENT</u> | | | |
| Personal Services | \$ 11,000 | \$ 11,706 | \$ 11,677 |
| Employee Benefits | 5,500 | 5,791 | 7,185 |
| Operating Supplies | 4,000 | 3,063 | 2,281 |
| Utilities | 22,700 | 18,715 | 22,003 |
| Repairs and Maintenance | 5,500 | 7,328 | 7,906 |
| | <u>\$ 48,700</u> | <u>\$ 46,603</u> | <u>\$ 51,052</u> |
| <u>SLUDGE TREATMENT AND DISPOSAL</u> | | | |
| Personal Services | \$ 24,000 | \$ 22,828 | \$ 24,877 |
| Employee Benefits | 11,900 | 11,293 | 15,309 |
| Operating Supplies | 4,200 | 1,190 | 5,982 |
| Laboratory Control | 5,300 | 4,893 | 6,955 |
| Injection Contract Costs | 34,000 | 27,220 | 35,050 |
| Utilities | 6,000 | 5,755 | 3,929 |
| Repairs and Maintenance | 5,200 | 5,459 | 5,455 |
| | <u>\$ 90,600</u> | <u>\$ 78,638</u> | <u>\$ 97,557</u> |
| <u>NUTRIENT REMOVAL</u> | | | |
| Personal Services | \$ 13,400 | \$ 7,460 | \$ 7,499 |
| Employee Benefits | 6,600 | 3,690 | 4,615 |
| Operating Supplies | 3,000 | 67 | 171 |
| Chemicals | 31,000 | 20,071 | 38,296 |
| Repairs and Maintenance | 1,300 | 7,482 | 1,064 |
| | <u>\$ 55,300</u> | <u>\$ 38,770</u> | <u>\$ 51,645</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--------------------------------|-------------------|-------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>EFFLUENT DISPOSAL</u> | | | |
| Personal Services | \$ 18,000 | \$ 9,994 | \$ 12,323 |
| Employee Benefits | 8,900 | 4,944 | 7,583 |
| Operating Supplies | 3,700 | 3,307 | 7,341 |
| Plant Lab Supplies | 5,200 | 5,213 | 0 |
| Chemicals | 1,000 | 3,508 | 11,566 |
| Laboratory Control | 8,900 | 9,987 | 8,392 |
| Utilities | 6,000 | 4,344 | 0 |
| Repairs and Maintenance | 5,000 | 5,068 | 3,106 |
| | <u>\$ 56,700</u> | <u>\$ 46,365</u> | <u>\$ 50,311</u> |
| <u>INDUSTRIAL SURVEILLANCE</u> | | | |
| Personal Services | \$ 12,500 | \$ 13,580 | \$ 11,642 |
| Employee Benefits | 4,200 | 6,718 | 7,164 |
| Operating Supplies | 3,000 | 1,348 | 509 |
| Laboratory Control | 5,500 | 5,631 | 4,420 |
| Repairs and Maintenance | 100 | 310 | 226 |
| | <u>\$ 25,300</u> | <u>\$ 27,587</u> | <u>\$ 23,961</u> |
| <u>BUILDINGS AND GROUNDS</u> | | | |
| Personal Services | \$ 48,200 | \$ 45,398 | \$ 47,775 |
| Employee Benefits | 26,900 | 21,092 | 29,400 |
| Operating Supplies | 15,000 | 13,757 | 20,362 |
| Utilities | 50,300 | 62,857 | 47,169 |
| Repairs and Maintenance | 15,500 | 21,918 | 11,466 |
| | <u>\$ 155,900</u> | <u>\$ 165,022</u> | <u>\$ 156,172</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|-------------------------|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>SANITARY SEWERS</u> | | | |
| Personal Services | \$ 43,500 | \$ 20,603 | \$ 21,552 |
| Employee Benefits | 21,600 | 10,193 | 13,262 |
| Operating Supplies | 10,100 | 6,394 | 4,401 |
| Contractual Services | 13,300 | 6,156 | 8,807 |
| Repairs and Maintenance | 800 | 536 | 0 |
| | <u>\$ 89,300</u> | <u>\$ 43,882</u> | <u>\$ 48,022</u> |
| <u>LIFT STATIONS</u> | | | |
| Personal Services | \$ 23,500 | \$ 16,361 | \$ 18,769 |
| Employee Benefits | 11,600 | 8,094 | 11,550 |
| Operating Supplies | 4,300 | 4,151 | 5,888 |
| Disposal Fees | 1,600 | 1,166 | 407 |
| Utilities | 23,000 | 26,347 | 32,350 |
| Repairs and Maintenance | 13,500 | 14,683 | 13,706 |
| | <u>\$ 77,500</u> | <u>\$ 70,802</u> | <u>\$ 82,670</u> |
| <u>VEHICLES - WATER</u> | | | |
| Personal Services | \$ 1,500 | \$ 1,248 | \$ 1,394 |
| Employee Benefits | 700 | 618 | 858 |
| Operating Supplies | 200 | 300 | 492 |
| Fuel and Oil | 3,000 | 3,681 | 2,947 |
| Repairs and Maintenance | 3,000 | 5,935 | 2,545 |
| | <u>\$ 8,400</u> | <u>\$ 11,782</u> | <u>\$ 8,236</u> |

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--------------------------------|-------------------------|-------------------------|-------------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>VEHICLES - DISTRIBUTION</u> | | | |
| Personal Services | \$ 300 | \$ 0 | \$ 0 |
| Employee Benefits | 100 | 0 | 0 |
| Operating Supplies | 600 | 765 | 1,018 |
| Fuel and Oil | 10,000 | 11,809 | 10,225 |
| Repairs and Maintenance | 15,200 | 18,845 | 15,723 |
| | <u>\$ 26,200</u> | <u>\$ 31,419</u> | <u>\$ 26,966</u> |
| <u>LABORATORY</u> | | | |
| Personal Services | \$ 34,800 | \$ 28,057 | \$ 28,617 |
| Employee Benefits | 17,100 | 13,880 | 17,610 |
| Operating Supplies | 16,400 | 16,477 | 19,923 |
| Repairs and Maintenance | 6,500 | 6,247 | 6,509 |
| Equipment Rental | 1,200 | 881 | 1,176 |
| Research and Development | 1,200 | 1,301 | 1,400 |
| | <u>\$ 77,200</u> | <u>\$ 66,843</u> | <u>\$ 75,235</u> |
| <u>OTHER EXPENSE</u> | | | |
| Depreciation and Amortization | \$ 701,000 | \$ 782,718 | \$ 750,380 |
| TOTAL OPERATING EXPENSES | <u>\$ 2,946,900</u> | <u>\$ 3,066,799</u> | <u>\$ 2,943,131</u> |

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---------------------------------------|---------------------|---------------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 46,521 | \$ 1,185 |
| Investments | 83,369 | 123,474 |
| Receivables | | |
| Interest | 1,030 | 1,701 |
| Prepaid Expense | 0 | 1,425 |
| | | |
| Total Current Assets | <u>\$ 130,920</u> | <u>\$ 127,785</u> |
| | | |
| <u>NONCURRENT ASSETS</u> | | |
| <u>CAPITAL ASSETS</u> | | |
| Land | \$ 90,445 | \$ 90,445 |
| Buildings | 1,699,011 | 1,699,011 |
| | <u>\$ 1,789,456</u> | <u>\$ 1,789,456</u> |
| Less Accumulated Depreciation | 322,812 | 288,832 |
| | | |
| Net Capital Assets | \$ 1,466,644 | \$ 1,500,624 |
| | | |
| <u>OTHER ASSETS</u> | | |
| Deferred Charge - Bond Issuance Costs | 25,464 | 29,492 |
| | | |
| Total Noncurrent Assets | <u>\$ 1,492,108</u> | <u>\$ 1,530,116</u> |
| | | |
| TOTAL ASSETS | <u>\$ 1,623,028</u> | <u>\$ 1,657,901</u> |

| | 2005 | 2004 |
|---|---------------------|---------------------|
| <u>LIABILITIES</u> | | |
| <u>CURRENT LIABILITIES</u> | | |
| Accounts Payable | \$ 4,541 | \$ 4,964 |
| Accrued Interest | 14,485 | 15,796 |
| Due to Other Funds | 3,096 | 0 |
| Due to Other Governments | 0 | 2,374 |
| Current Portion of Revenue Bonds | 95,000 | 90,000 |
| | | |
| Total Current Liabilities | \$ 117,122 | \$ 113,134 |
| | | |
| <u>LONG-TERM LIABILITIES</u> | | |
| 1994 Revenue Bonds | \$ 0 | \$ 80,000 |
| 1999 Revenue Refunding Bonds | 1,180,000 | 1,195,000 |
| | | |
| Total Long-Term Liabilities | \$ 1,180,000 | \$ 1,275,000 |
| | | |
| TOTAL LIABILITIES | \$ 1,297,122 | \$ 1,388,134 |
| | | |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 191,644 | \$ 135,624 |
| Unrestricted | 134,262 | 134,143 |
| | | |
| TOTAL NET ASSETS | \$ 325,906 | \$ 269,767 |

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|---|-------------|-------------|
| <u>OPERATING REVENUES</u> | | |
| Building Rental | \$ 195,870 | \$ 195,870 |
| <u>OPERATING EXPENSES</u> | | |
| Contractual Services | \$ 29,322 | \$ 18,707 |
| Audit | 0 | 900 |
| Insurance | 536 | 527 |
| Building Maintenance | 7,811 | 13,746 |
| Utilities | 2,627 | 2,318 |
| Depreciation and Amortization | 38,008 | 38,052 |
| Administration | 5,000 | 5,000 |
| Total Operating Expenses | \$ 83,304 | \$ 79,250 |
| Operating Income (Loss) | \$ 112,566 | \$ 116,620 |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | \$ 3,276 | \$ 2,489 |
| Interest Expense | (59,703) | (64,864) |
| Total Nonoperating Revenues (Expenses) | \$ (56,427) | \$ (62,375) |
| Income (Loss) | \$ 56,139 | \$ 54,245 |
| <u>TOTAL NET ASSETS</u> - Beginning of Year | 269,767 | 215,522 |
| <u>TOTAL NET ASSETS</u> -End of Year | \$ 325,906 | \$ 269,767 |

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|--------------|--------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Customers | \$ 195,870 | \$ 195,870 |
| Cash Payments to Suppliers for Goods and Services | (41,198) | (45,444) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Operating Activities | \$ 154,672 | \$ 150,426 |
| | <hr/> | <hr/> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Principal Paid | \$ (90,000) | \$ (85,000) |
| Interest Paid | (61,014) | (66,094) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) for Capital and Related Financing Activities | \$ (151,014) | \$ (151,094) |
| | <hr/> | <hr/> |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 3,947 | \$ 2,787 |
| Purchase of Investment Securities | (2,374) | (94,000) |
| Proceeds from Sale and Maturities of Investment Securities | 40,105 | 90,718 |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Investing Activities | \$ 41,678 | \$ (495) |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 45,336 | \$ (1,163) |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | 1,185 | 2,348 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | \$ 46,521 | \$ 1,185 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|--------------------------|--------------------------|
| <u>RECONCILIATION OF OPERATING INCOME</u> | | |
| <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | <u>\$ 112,566</u> | <u>\$ 116,620</u> |
| Adjustments to Reconcile Operating Income | | |
| To Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | \$ 38,008 | \$ 38,052 |
| (Increase) Decrease in Current Assets | | |
| Prepaid Expense | 1,425 | (898) |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | (423) | 2,362 |
| Due to Other Funds | <u>3,096</u> | <u>(5,710)</u> |
| Total Adjustments | <u>\$ 42,106</u> | <u>\$ 33,806</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ 154,672</u></u> | <u><u>\$ 150,426</u></u> |

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING BALANCE SHEET

JUNE 30, 2005

| | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECTS FUNDS |
|---------------------------------------|-----------------------------|--------------------------|------------------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 345,377 | \$ 306,829 | \$ 64,281 |
| Investments | 1,392,274 | 245,332 | 117,918 |
| Receivables | | | |
| Accounts | 2,422 | 0 | 0 |
| Mortgages and Notes | 299,820 | 0 | 0 |
| Accrued Interest | 18,889 | 30,511 | 2,597 |
| Special Assessments | | | |
| Current | 0 | 90,346 | 0 |
| Deferred | 0 | 338,101 | 0 |
| Due from Other Funds | 157,739 | 53,735 | 3,403 |
| Due from Other Governments | 0 | 31,923 | 0 |
| TOTAL ASSETS | <u>\$ 2,216,521</u> | <u>\$ 1,096,777</u> | <u>\$ 188,199</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 6,625 | \$ 0 | \$ 3,886 |
| Accrued Expenditures | 2,392 | 0 | 0 |
| Security Deposits Payable | 1,086 | 0 | 0 |
| Due to Other Funds | 105,674 | 85,185 | 2,840 |
| Due to Other Governments | 1,951 | 0 | 0 |
| Deferred Revenues | 298,042 | 338,101 | 0 |
| Total Liabilities | <u>\$ 415,770</u> | <u>\$ 423,286</u> | <u>\$ 6,726</u> |
| <u>FUND BALANCE</u> | | | |
| Reserved | \$ 33,188 | \$ 673,491 | \$ 181,473 |
| Unreserved | | | |
| Undesignated | 1,767,563 | 0 | 0 |
| Total Fund Balance | <u>\$ 1,800,751</u> | <u>\$ 673,491</u> | <u>\$ 181,473</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 2,216,521</u> | <u>\$ 1,096,777</u> | <u>\$ 188,199</u> |

| PERMANENT FUNDS | TOTALS |
|---------------------|---------------------|
| \$ 141,665 | \$ 858,152 |
| 1,004,041 | 2,759,565 |
| 0 | 2,422 |
| 0 | 299,820 |
| 0 | 51,997 |
| 0 | 90,346 |
| 0 | 338,101 |
| 0 | 214,877 |
| 0 | 31,923 |
| <u>\$ 1,145,706</u> | <u>\$ 4,647,203</u> |

| | |
|------------------|-------------------|
| \$ 0 | \$ 10,511 |
| 0 | 2,392 |
| 0 | 1,086 |
| 16,935 | 210,634 |
| 0 | 1,951 |
| 0 | 636,143 |
| <u>\$ 16,935</u> | <u>\$ 862,717</u> |

| | |
|---------------------|---------------------|
| \$ 1,128,771 | \$ 2,016,923 |
| 0 | 1,767,563 |
| <u>\$ 1,128,771</u> | <u>\$ 3,784,486</u> |
| <u>\$ 1,145,706</u> | <u>\$ 4,647,203</u> |

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECTS FUNDS |
|--|-----------------------------|--------------------------|------------------------------|
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | \$ 0 | \$ 130,609 | \$ 0 |
| Federal Grants | 36,000 | 0 | 0 |
| Contributions from Local Units | 0 | 31,923 | 0 |
| Charges for Services | 103,913 | 0 | 0 |
| Interest and Rents | 93,055 | 33,615 | 5,362 |
| Gain (Loss) on Investments | 0 | 0 | 0 |
| Other Revenue | 112,983 | 0 | 0 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | \$ 345,951 | \$ 196,147 | \$ 5,362 |
| <u>EXPENDITURES</u> | | | |
| General Government | \$ 156,479 | \$ 0 | \$ 0 |
| Public Safety | 85,887 | 0 | 0 |
| Cultural and Recreation | 6,500 | 0 | 0 |
| Redevelopment and Housing | 119,110 | 0 | 0 |
| Economic Development | 38,351 | 0 | 0 |
| Capital Outlay | 0 | 0 | 8,843 |
| Debt Service | 12,500 | 365,616 | 0 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | \$ 418,827 | \$ 365,616 | \$ 8,843 |
| Excess (Deficiency) of Revenues Over Expenditures | <hr/> | <hr/> | <hr/> |
| | \$ (72,876) | \$ (169,469) | \$ (3,481) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In | \$ 70,272 | \$ 174,556 | \$ 0 |
| Transfers Out | (41,207) | (117,759) | 0 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Financing Sources (Uses) | \$ 29,065 | \$ 56,797 | \$ 0 |
| Net Change in Fund Balances | <hr/> | <hr/> | <hr/> |
| | \$ (43,811) | \$ (112,672) | \$ (3,481) |
| <u>FUND BALANCES</u> - Beginning of Year | <hr/> | <hr/> | <hr/> |
| | 1,844,562 | 786,163 | 184,954 |
| <u>FUND BALANCES</u> - End of Year | <hr/> | <hr/> | <hr/> |
| | \$ 1,800,751 | \$ 673,491 | \$ 181,473 |

| PERMANENT FUNDS | TOTALS |
|----------------------------|----------------------------|
| \$ 0 | \$ 130,609 |
| 0 | 36,000 |
| 0 | 31,923 |
| 0 | 103,913 |
| 32,906 | 164,938 |
| 28,978 | 28,978 |
| 6,587 | 119,570 |
| <u>\$ 68,471</u> | <u>\$ 615,931</u> |
| | |
| \$ 1,400 | \$ 157,879 |
| 0 | 85,887 |
| 0 | 6,500 |
| 0 | 119,110 |
| 0 | 38,351 |
| 0 | 8,843 |
| 0 | 378,116 |
| <u>\$ 1,400</u> | <u>\$ 794,686</u> |
| | |
| <u>\$ 67,071</u> | <u>\$ (178,755)</u> |
| | |
| \$ 0 | \$ 244,828 |
| (29,065) | (188,031) |
| <u>\$ (29,065)</u> | <u>\$ 56,797</u> |
| | |
| \$ 38,006 | \$ (121,958) |
| | |
| <u>1,090,765</u> | <u>3,906,444</u> |
| | |
| <u><u>\$ 1,128,771</u></u> | <u><u>\$ 3,784,486</u></u> |

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, capital projects, or permanent funds) that are legally restricted to expenditures for specified purposes. The accounting for this group of funds is on the modified accrual basis.

Nonmajor Special Revenue Funds in the City of Cadillac include:

Cemetery Operating Fund - This fund records the financial activities of running the cemetery. Revenues from endowment funds supplement charges for services to finance these activities.

Community Development Fund - This fund was established with grant monies from H.U.D. to assist low and moderate income families to bring their homes up to the city building code. Assistance is given through low-interest loans to qualifying individuals. As loans are repaid, money is made available for new loans.

H.L. Green Operating Fund - This fund was established to account for the rental of the H.L. Green building until it was sold on a land contract.

Cadillac Development Fund - This fund was established with grant monies from an Urban Development Action Grant to assist in economic development. As loans are repaid, money is made available for new loans.

Naval Reserve Center Fund - This fund was established to account for the rental of the Naval Reserve Center.

Clam River Greenway Fund - This fund was established to account for the ecological and scenic development of the Clam River Greenway.

Building Inspection Fund - This fund was established to account for building inspection activities pursuant to Public Act 245 of 1999.

Rental Rehabilitation Grant Fund - This fund was established to account for a Community Development Block Grant to upgrade rental housing within the City.

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

| | CEMETERY OPERATING | COMMUNITY DEVELOPMENT | H.L. GREEN OPERATING |
|--|-----------------------|--------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 14,582 | \$ 153,046 | \$ 5,807 |
| Investments | 122,669 | 149,431 | 12,821 |
| Receivables | | | |
| Accounts | 1,926 | 0 | 0 |
| Mortgages and Notes | 0 | 82,502 | 197,318 |
| Accrued Interest | 3,387 | 305 | 168 |
| Due from Other Funds | 16,935 | 0 | 77,914 |
| TOTAL ASSETS | \$ 159,499 | \$ 385,284 | \$ 294,028 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 5,580 | \$ 7 | \$ 0 |
| Accrued Expenditures | 1,148 | 371 | 0 |
| Security Deposits Payable | 0 | 0 | 0 |
| Due to Other Funds | 35,330 | 1,168 | 0 |
| Due to Other Governments | 0 | 0 | 0 |
| Deferred Revenues | 0 | 82,502 | 197,318 |
| Total Liabilities | \$ 42,058 | \$ 84,048 | \$ 197,318 |
| <u>FUND BALANCES</u> | | | |
| Reserved for: | | | |
| Capital Improvements | \$ 10,918 | \$ 0 | \$ 0 |
| Mortgages and Notes Receivable | 0 | 0 | 0 |
| Parks | 0 | 0 | 0 |
| Unreserved | 106,523 | 301,236 | 96,710 |
| Total Fund Balances | \$ 117,441 | \$ 301,236 | \$ 96,710 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 159,499 | \$ 385,284 | \$ 294,028 |

| CADILLAC DEVELOPMENT | NAVAL RESERVE CENTER | CLAM RIVER GREENWAY | BUILDING INSPECTION | RENTAL REHABILITATION GRANT | TOTALS |
|-------------------------|----------------------------|---------------------------|------------------------|-----------------------------------|--------------|
| \$ 128,909 | \$ 28,212 | \$ 3,270 | \$ 11,551 | \$ 0 | \$ 345,377 |
| 1,083,881 | 23,472 | 0 | 0 | 0 | 1,392,274 |
| 0 | 176 | 0 | 320 | 0 | 2,422 |
| 20,000 | 0 | 0 | 0 | 0 | 299,820 |
| 14,784 | 245 | 0 | 0 | 0 | 18,889 |
| 16,361 | 0 | 0 | 26,307 | 20,222 | 157,739 |
| \$ 1,263,935 | \$ 52,105 | \$ 3,270 | \$ 38,178 | \$ 20,222 | \$ 2,216,521 |
| \$ 0 | \$ 1,006 | \$ 0 | \$ 32 | \$ 0 | \$ 6,625 |
| 0 | 0 | 0 | 873 | 0 | 2,392 |
| 0 | 1,086 | 0 | 0 | 0 | 1,086 |
| 26,307 | 4,596 | 1,000 | 37,273 | 0 | 105,674 |
| 1,951 | 0 | 0 | 0 | 0 | 1,951 |
| 0 | 0 | 0 | 0 | 18,222 | 298,042 |
| \$ 28,258 | \$ 6,688 | \$ 1,000 | \$ 38,178 | \$ 18,222 | \$ 415,770 |
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 10,918 |
| 20,000 | 0 | 0 | 0 | 0 | 20,000 |
| 0 | 0 | 2,270 | 0 | 0 | 2,270 |
| 1,215,677 | 45,417 | 0 | 0 | 2,000 | 1,767,563 |
| \$ 1,235,677 | \$ 45,417 | \$ 2,270 | \$ 0 | \$ 2,000 | \$ 1,800,751 |
| \$ 1,263,935 | \$ 52,105 | \$ 3,270 | \$ 38,178 | \$ 20,222 | \$ 2,216,521 |

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | CEMETERY OPERATING | COMMUNITY DEVELOPMENT | H.L. GREEN OPERATING |
|--|-----------------------|--------------------------|-------------------------|
| <u>REVENUES</u> | | | |
| Federal Grants | \$ 0 | \$ 0 | \$ 0 |
| Charges for Services | 54,164 | 0 | 0 |
| Interest and Rents | 4,930 | 11,872 | 8,366 |
| Other Revenue | 10,656 | 67,563 | 23,154 |
| Total Revenues | \$ 69,750 | \$ 79,435 | \$ 31,520 |
| <u>EXPENDITURES</u> | | | |
| General Government | \$ 129,855 | \$ 0 | \$ 0 |
| Public Safety | 0 | 0 | 0 |
| Cultural and Recreation | 0 | 0 | 0 |
| Redevelopment and Housing | 0 | 118,510 | 600 |
| Economic Development | 0 | 0 | 0 |
| Debt Service | 0 | 0 | 12,500 |
| Total Expenditures | \$ 129,855 | \$ 118,510 | \$ 13,100 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (60,105) | \$ (39,075) | \$ 18,420 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In | \$ 29,065 | \$ 0 | \$ 0 |
| Transfers Out | 0 | 0 | (6,000) |
| Total Other Financing Sources (Uses) | \$ 29,065 | \$ 0 | \$ (6,000) |
| Net Change in Fund Balances | \$ (31,040) | \$ (39,075) | \$ 12,420 |
| <u>FUND BALANCES</u> - Beginning of Year | 148,481 | 340,311 | 84,290 |
| <u>FUND BALANCES</u> - End of Year | \$ 117,441 | \$ 301,236 | \$ 96,710 |

| CADILLAC DEVELOPMENT | NAVAL RESERVE CENTER | CLAM RIVER GREENWAY | BUILDING INSPECTION | RENTAL REHABILITATION GRANT | TOTALS |
|-------------------------|----------------------------|---------------------------|------------------------|-----------------------------------|--------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 36,000 | \$ 36,000 |
| 0 | 0 | 0 | 49,749 | 0 | 103,913 |
| 35,053 | 32,813 | 0 | 21 | 0 | 93,055 |
| 0 | 0 | 8,700 | 910 | 2,000 | 112,983 |
| \$ 35,053 | \$ 32,813 | \$ 8,700 | \$ 50,680 | \$ 38,000 | \$ 345,951 |
| \$ 0 | \$ 26,624 | \$ 0 | \$ 0 | \$ 0 | \$ 156,479 |
| 0 | 0 | 0 | 85,887 | 0 | 85,887 |
| 0 | 0 | 6,500 | 0 | 0 | 6,500 |
| 0 | 0 | 0 | 0 | 0 | 119,110 |
| 2,351 | 0 | 0 | 0 | 36,000 | 38,351 |
| 0 | 0 | 0 | 0 | 0 | 12,500 |
| \$ 2,351 | \$ 26,624 | \$ 6,500 | \$ 85,887 | \$ 36,000 | \$ 418,827 |
| \$ 32,702 | \$ 6,189 | \$ 2,200 | \$ (35,207) | \$ 2,000 | \$ (72,876) |
| \$ 6,000 | \$ 0 | \$ 0 | \$ 35,207 | \$ 0 | \$ 70,272 |
| (35,207) | 0 | 0 | 0 | 0 | (41,207) |
| \$ (29,207) | \$ 0 | \$ 0 | \$ 35,207 | \$ 0 | \$ 29,065 |
| \$ 3,495 | \$ 6,189 | \$ 2,200 | \$ 0 | \$ 2,000 | \$ (43,811) |
| 1,232,182 | 39,228 | 70 | 0 | 0 | 1,844,562 |
| \$ 1,235,677 | \$ 45,417 | \$ 2,270 | \$ 0 | \$ 2,000 | \$ 1,800,751 |

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 14,582 | \$ 20,934 |
| Investments | 122,669 | 126,475 |
| Receivables | | |
| Accounts Receivable | 1,926 | 0 |
| Accrued Interest | 3,387 | 3,399 |
| Due from Other Funds | 16,935 | 1,097 |
| Prepaid Expenditures | 0 | 418 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 159,499 | \$ 152,323 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 5,580 | \$ 1,445 |
| Accrued Expenditures | 1,148 | 844 |
| Due to Other Funds | 35,330 | 1,553 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 42,058 | \$ 3,842 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> | | |
| Reserved for: | | |
| Prepaid Expenditures | \$ 0 | \$ 418 |
| Capital Improvements | 10,918 | 15,357 |
| Unreserved | 106,523 | 132,706 |
| | <hr/> | <hr/> |
| Total Fund Balance | \$ 117,441 | \$ 148,481 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 159,499 | \$ 152,323 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|--------------------|--------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Charges for Services | | | |
| Sale of Lots and Burial Rights | \$ 9,400 | \$ 6,587 | \$ 6,450 |
| Grave Openings and Storage | 34,700 | 33,975 | 31,345 |
| Foundations and Miscellaneous | 12,800 | 13,602 | 7,594 |
| Interest and Rents | | | |
| Interest | 6,000 | 4,930 | 1,466 |
| Other Revenue | | | |
| Contributions from Private Sources | 0 | 10,656 | 31,950 |
| Total Revenues | <u>\$ 62,900</u> | <u>\$ 69,750</u> | <u>\$ 78,805</u> |
| <u>EXPENDITURES</u> | | | |
| General Government | | | |
| Personal Services | \$ 28,200 | \$ 38,539 | \$ 38,908 |
| Employee Benefits | 12,000 | 11,752 | 10,344 |
| Operating Supplies | 7,700 | 8,669 | 8,625 |
| Contractual Services | 0 | 0 | 250 |
| Audit | 600 | 600 | 600 |
| Data Processing | 3,300 | 3,300 | 3,000 |
| Insurance | 100 | 69 | 68 |
| Travel and Education | 400 | 135 | 470 |
| Utilities | 10,400 | 12,617 | 7,009 |
| Repairs and Maintenance | 5,900 | 4,402 | 4,672 |
| Equipment Rental | 5,600 | 3,133 | 4,120 |
| Capital Outlay | 41,100 | 46,639 | 36,170 |
| Total Expenditures | <u>\$ 115,300</u> | <u>\$ 129,855</u> | <u>\$ 114,236</u> |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (52,400) | \$ (60,105) | \$ (35,431) |
| <u>OTHER FINANCING SOURCES</u> | | | |
| Transfers In | | | |
| Cemetery Perpetual Care Fund | 25,000 | 29,065 | 25,485 |
| Net Change In Fund Balance | <u>\$ (27,400)</u> | <u>\$ (31,040)</u> | <u>\$ (9,946)</u> |
| <u>FUND BALANCE</u> - Beginning of Year | <u>149,427</u> | <u>148,481</u> | <u>158,427</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 122,027</u> | <u>\$ 117,441</u> | <u>\$ 148,481</u> |

CITY OF CADILLAC, MICHIGAN
COMMUNITY DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 153,046 | \$ 41,844 |
| Investments | 149,431 | 328,477 |
| Receivables | | |
| Installment Notes | 5,588 | 7,485 |
| Mortgages | 76,914 | 76,915 |
| Accrued Interest | 305 | 3,016 |
| Due from Other Funds | 0 | 25 |
| Prepaid Expenditures | 0 | 57 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | <u>\$ 385,284</u> | <u>\$ 457,819</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 7 | \$ 6,708 |
| Accrued Expenditures | 371 | 251 |
| Due to Other Funds | 1,168 | 26,149 |
| Deferred Revenues | | |
| Installment Notes and Mortgages | 82,502 | 84,400 |
| | <hr/> | <hr/> |
| Total Liabilities | <u>\$ 84,048</u> | <u>\$ 117,508</u> |
| <u>FUND BALANCE</u> | | |
| Reserved for Prepaid Expenditures | \$ 0 | \$ 57 |
| Unreserved | 301,236 | 340,254 |
| | <hr/> | <hr/> |
| Total Fund Balance | <u>\$ 301,236</u> | <u>\$ 340,311</u> |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 385,284</u> | <u>\$ 457,819</u> |

CITY OF CADILLAC, MICHIGAN
COMMUNITY DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|-------------------|-------------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Interest and Rents | | | |
| Interest on Installment Loans | \$ 400 | \$ 145 | \$ 299 |
| Interest on Investments | 13,300 | 11,727 | 7,346 |
| Other Revenues | | | |
| Contributions From Private Sources | 66,000 | 65,625 | 99,000 |
| Loan Principal Collections | 22,300 | 1,898 | 8,816 |
| Penalties and Miscellaneous | 100 | 40 | 35 |
| Total Revenues | <u>\$ 102,100</u> | <u>\$ 79,435</u> | <u>\$ 115,496</u> |
| <u>EXPENDITURES</u> | | | |
| Redevelopment and Housing | | | |
| Personal Services | \$ 22,000 | \$ 22,481 | \$ 21,101 |
| Employee Benefits | 7,300 | 2,426 | 6,326 |
| Audit | 1,000 | 950 | 950 |
| Office Supplies | 600 | 322 | 461 |
| Postage | 500 | 272 | 474 |
| Contracted Services | 5,000 | 5,000 | 1,625 |
| Data Processing | 3,500 | 3,500 | 3,200 |
| Communications | 300 | 228 | 192 |
| Travel and Education | 1,200 | 637 | 1,435 |
| Dues and Publications | 600 | 645 | 267 |
| Municipal Parks | | | |
| Engineering Fees | 3,000 | 3,060 | 6,595 |
| Construction | 63,000 | 63,989 | 0 |
| Administrative | 15,000 | 15,000 | 14,200 |
| Total Expenditures | <u>\$ 123,000</u> | <u>\$ 118,510</u> | <u>\$ 56,826</u> |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (20,900) | \$ (39,075) | \$ 58,670 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>435,513</u> | <u>340,311</u> | <u>281,641</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 414,613</u> | <u>\$ 301,236</u> | <u>\$ 340,311</u> |

CITY OF CADILLAC, MICHIGAN
H.L. GREEN OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 5,807 | \$ 10,749 |
| Investments | 12,821 | 71,954 |
| Due from Other Funds | 77,914 | 1,245 |
| Receivables | | |
| Accrued Interest | 168 | 342 |
| Note | 197,318 | 220,472 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 294,028 | \$ 304,762 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Deferred Revenue | \$ 197,318 | \$ 220,472 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> | | |
| Unreserved | 96,710 | 84,290 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 294,028 | \$ 304,762 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
H.L. GREEN OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Interest and Rents | | | |
| Interest on Installment Note | \$ 8,500 | \$ 6,822 | \$ 6,835 |
| Interest on Investments | 0 | 1,544 | 928 |
| Other Revenue | | | |
| Note Principal Collections | 22,000 | 23,154 | 22,414 |
| Total Revenues | <u>\$ 30,500</u> | <u>\$ 31,520</u> | <u>\$ 30,177</u> |
| <u>EXPENDITURES</u> | | | |
| Redevelopment and Housing | | | |
| Audit | \$ 600 | \$ 600 | \$ 600 |
| Debt Service | | | |
| Principal Payments | 18,500 | 12,500 | 12,500 |
| Total Expenditures | <u>\$ 19,100</u> | <u>\$ 13,100</u> | <u>\$ 13,100</u> |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ 11,400 | \$ 18,420 | \$ 17,077 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers Out | | | |
| Cadillac Development Fund | 0 | (6,000) | (6,000) |
| Net Change In Fund Balance | \$ 11,400 | \$ 12,420 | \$ 11,077 |
| <u>FUND BALANCE</u> - Beginning of Year | 83,713 | 84,290 | 73,213 |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 95,113</u> | <u>\$ 96,710</u> | <u>\$ 84,290</u> |

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|--------------|--------------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 128,909 | \$ 0 |
| Investments | 1,083,881 | 1,529,782 |
| Receivables | | |
| Notes | 20,000 | 170 |
| Accrued Interest | 14,784 | 14,663 |
| Due from Other Funds | 16,361 | 302 |
| | <hr/> | |
| TOTAL ASSETS | \$ 1,263,935 | \$ 1,544,917 |
| | <hr/> | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| | <hr/> | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 26,307 | \$ 312,735 |
| Due to Other Governments | 1,951 | 0 |
| | <hr/> | |
| Total Liabilities | \$ 28,258 | \$ 312,735 |
| | <hr/> | |
| <u>FUND BALANCE</u> | | |
| Reserved for Notes Receivable | \$ 20,000 | \$ 170 |
| Unreserved | 1,215,677 | 1,232,012 |
| | <hr/> | |
| Total Fund Balance | \$ 1,235,677 | \$ 1,232,182 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 1,263,935 | \$ 1,544,917 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | 2005 | | 2004 |
|---|--------------|--------------|--------------|
| | BUDGET | ACTUAL | ACTUAL |
| <u>REVENUES</u> | | | |
| Interest and Rents | | | |
| Interest on Installment Note | \$ 39,000 | \$ 3,525 | \$ 0 |
| Interest on Investments | 4,000 | 31,528 | 24,536 |
| Total Revenues | \$ 43,000 | \$ 35,053 | \$ 24,536 |
| <u>EXPENDITURES</u> | | | |
| Economic Development | | | |
| Audit | \$ 400 | \$ 400 | \$ 400 |
| Site Analysis | 0 | 0 | 32,633 |
| Intergovernmental Expenditures | | | |
| Public Works | | | |
| D.D.A. Capital Projects | 0 | 1,951 | 0 |
| Total Expenditures | \$ 400 | \$ 2,351 | \$ 33,033 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ 42,600 | \$ 32,702 | \$ (8,497) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In (Out) | | | |
| H.L. Green Operating Fund | \$ 6,000 | \$ 6,000 | \$ 6,000 |
| Building Inspection Fund | (18,100) | (35,207) | (8,735) |
| Total Transfers In (Out) | \$ (12,100) | \$ (29,207) | \$ (2,735) |
| Net Change in Fund Balance | \$ 30,500 | \$ 3,495 | \$ (11,232) |
| <u>FUND BALANCE</u> - Beginning of Year | 1,202,014 | 1,232,182 | 1,243,414 |
| <u>FUND BALANCE</u> - End of Year | \$ 1,232,514 | \$ 1,235,677 | \$ 1,232,182 |

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 28,212 | \$ 17,948 |
| Investments | 23,472 | 24,122 |
| Receivables | | |
| Accounts | 176 | 0 |
| Accrued Interest | 245 | 241 |
| | | |
| TOTAL ASSETS | <u>\$ 52,105</u> | <u>\$ 42,311</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 1,006 | \$ 864 |
| Security Deposit Payable | 1,086 | 1,086 |
| Due to General Fund | 4,596 | 1,133 |
| | | |
| Total Liabilities | \$ 6,688 | \$ 3,083 |
| | | |
| <u>FUND BALANCE</u> | | |
| Unreserved | 45,417 | 39,228 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 52,105</u> | <u>\$ 42,311</u> |

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Interest and Rents | | | |
| Interest | \$ 800 | \$ 1,019 | \$ 351 |
| Rents | 33,100 | 31,794 | 43,237 |
| Other Revenues | | | |
| Contributions from Private Sources | 0 | 0 | 50 |
| Total Revenues | <u>\$ 33,900</u> | <u>\$ 32,813</u> | <u>\$ 43,638</u> |
| <u>EXPENDITURES</u> | | | |
| General Government | | | |
| Audit | \$ 400 | \$ 400 | \$ 400 |
| Insurance | 600 | 547 | 537 |
| Utilities | 18,000 | 18,616 | 19,059 |
| Building Maintenance | 6,600 | 7,061 | 4,687 |
| Total Expenditures | <u>\$ 25,600</u> | <u>\$ 26,624</u> | <u>\$ 24,683</u> |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ 8,300 | \$ 6,189 | \$ 18,955 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>35,423</u> | <u>39,228</u> | <u>20,273</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 43,723</u> | <u>\$ 45,417</u> | <u>\$ 39,228</u> |

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 3,270 | \$ 549 |
| Due from Other Funds | 0 | 50,000 |
| Due from Other Governments | 0 | 13,530 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 3,270 | \$ 64,079 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 1,000 | \$ 64,009 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Parks | 2,270 | 70 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 3,270 | \$ 64,079 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|------------------|-----------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Federal Grants | | | |
| Department of Transportation | | | |
| Highway Planning and Construction | \$ 0 | \$ 0 | \$ 6,404 |
| State Grants | | | |
| Clean Michigan Initiative Recreation Bond Grant | 0 | 0 | 89,727 |
| Other Revenue | | | |
| Contributions and Donations from | | | |
| Private Sources | 10,000 | 8,700 | 35,227 |
| Total Revenues | <u>\$ 10,000</u> | <u>\$ 8,700</u> | <u>\$ 131,358</u> |
| <u>EXPENDITURES</u> | | | |
| Cultural and Recreation | | | |
| Audit | \$ 300 | \$ 0 | \$ 400 |
| Engineering Fees | 9,000 | 5,500 | 0 |
| Construction | 0 | 1,000 | 173,116 |
| Total Expenditures | <u>\$ 9,300</u> | <u>\$ 6,500</u> | <u>\$ 173,516</u> |
| Excess (Deficiency) of Revenues | | | |
| Over Expenditures | \$ 700 | \$ 2,200 | \$ (42,158) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Loan Proceeds | 0 | 0 | 27,000 |
| Net Change in Fund Balance | \$ 0 | \$ 2,200 | \$ (15,158) |
| <u>FUND BALANCE</u> - Beginning of Year | 16,128 | 70 | 15,228 |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 16,828</u> | <u>\$ 2,270</u> | <u>\$ 70</u> |

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 11,551 | \$ 6,963 |
| Accounts Receivable | 320 | 475 |
| Due from Other Funds | 26,307 | 5,938 |
| Prepaid Expenditures | 0 | 501 |
| | <hr/> | <hr/> |
| Total Assets | \$ 38,178 | \$ 13,877 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 32 | \$ 89 |
| Accrued Expenditures | 873 | 478 |
| Due to Other Funds | 37,273 | 13,310 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 38,178 | \$ 13,877 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> | 0 | 0 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 38,178 | \$ 13,877 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|--------------------|--------------------|--------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Charges for Services | | | |
| Building Permits | \$ 51,000 | \$ 30,816 | \$ 35,760 |
| Heating and Fence Permits | 18,000 | 18,933 | 17,409 |
| Interest and Rents | | | |
| Interest | 0 | 21 | 0 |
| Other Revenue | | | |
| Miscellaneous | 1,000 | 910 | 1,515 |
| | | | |
| Total Revenues | <u>\$ 70,000</u> | <u>\$ 50,680</u> | <u>\$ 54,684</u> |
| <u>EXPENDITURES</u> | | | |
| Public Safety | | | |
| Building Inspection | | | |
| Personal Services | \$ 54,000 | \$ 54,731 | \$ 52,067 |
| Employee Benefits | 24,000 | 23,349 | 20,912 |
| Office Supplies | 3,000 | 1,905 | 4,314 |
| Postage | 1,100 | 1,225 | 1,228 |
| Audit | 400 | 400 | 400 |
| Data Processing | 2,900 | 2,900 | 2,600 |
| Dues and Publications | 800 | 418 | 230 |
| Communication | 100 | 0 | 0 |
| Travel and Education | 900 | 529 | 1,779 |
| Contracted Services | 0 | 31 | 330 |
| Equipment Rental | 900 | 399 | 977 |
| | | | |
| Total Expenditures | <u>\$ 88,100</u> | <u>\$ 85,887</u> | <u>\$ 84,837</u> |
| | | | |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | <u>\$ (18,100)</u> | <u>\$ (35,207)</u> | <u>\$ (30,153)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In | | | |
| Cadillac Development Fund | 18,100 | 35,207 | 8,735 |
| | | | |
| Net Change in Fund Balance | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (21,418)</u> |
| <u>FUND BALANCE</u> - Beginning of Year | <u>8,318</u> | <u>0</u> | <u>21,418</u> |
| | | | |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 8,318</u> | <u>\$ 0</u> | <u>\$ 0</u> |

COMPARATIVE BALANCE SHEET
JUNE 30,

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CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------|-----------|---------------|
| | <u>BUDGET</u> | | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Federal | | | |
| Community Development Block Grant Funds | \$ 55,000 | \$ 36,000 | \$ 54,542 |
| Other Revenue | | | |
| Contributions from Private Sources | 2,000 | 2,000 | 0 |
| Total Revenues | \$ 57,000 | \$ 38,000 | \$ 54,542 |
| <u>EXPENDITURES</u> | | | |
| Economic Development | | | |
| Rehabilitation | 56,600 | \$ 35,000 | \$ 50,000 |
| Administration | 400 | 1,000 | 4,542 |
| Total Expenditures | \$ 57,000 | \$ 36,000 | \$ 54,542 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ 0 | \$ 2,000 | \$ 0 |
| <u>FUND BALANCE</u> - Beginning of Year | 0 | 0 | 0 |
| <u>FUND BALANCE</u> - End of Year | \$ 0 | \$ 2,000 | \$ 0 |

NONMAJOR DEBT SERVICE FUNDS

Nonmajor Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment. The accounting for this group of funds is on the modified accrual basis.

The purpose of the bonds which the various debt service funds are paying are as follows:

1990 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

1992 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in said districts.

1993 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of street improvements.

1993 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

1996 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

1996 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

1997 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

1997 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

1997 Building Authority Debt Retirement Fund - A 1998 Building Authority Bond issue to construct parking lots.

1998 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

2000 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of public improvements in certain special assessment districts.

2000 Michigan Transportation Fund Debt Retirement Fund - To pay the City's share of the cost of street improvements.

2002 Special Assessment Debt Retirement Fund - To pay the property owner's share of the cost of street improvements.

2004 Capital Improvement Bonds Debt Retirement Fund - A 2004 General Obligation Bond issue to acquire and construct various street improvements.

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

| | 1990 MICHIGAN TRANSPORTATION FUND | 1992 SPECIAL ASSESSMENT | 1993 SPECIAL ASSESSMENT |
|---------------------------------------|--|-------------------------------|-------------------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 368 | \$ 5,552 | \$ 5,918 |
| Investments | 0 | 76,728 | 55,409 |
| Receivables | | | |
| Accrued Interest | 0 | 4,739 | 2,464 |
| Special Assessments | | | |
| Current | 0 | 27,573 | 9,110 |
| Deferred | 0 | 8,671 | 18,219 |
| Due from Other Funds | 32 | 0 | 0 |
| Due from Other Governments | 0 | 0 | 0 |
| | | | |
| TOTAL ASSETS | \$ 400 | \$ 123,263 | \$ 91,120 |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| <u>LIABILITIES</u> | | | |
| Due to Other Funds | \$ 400 | \$ 0 | \$ 0 |
| Deferred Revenues | 0 | 8,671 | 18,219 |
| | | | |
| Total Liabilities | \$ 400 | \$ 8,671 | \$ 18,219 |
| <u>FUND BALANCES</u> | | | |
| Reserved for Debt Service | 0 | 114,592 | 72,901 |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 400 | \$ 123,263 | \$ 91,120 |

| 1993 | | 1996 | |
|----------------|-------|------------|----------------|
| MICHIGAN | | | MICHIGAN |
| TRANSPORTATION | | SPECIAL | TRANSPORTATION |
| FUND | | ASSESSMENT | FUND |
| \$ | 2,137 | \$ | 11,012 |
| | 0 | | 98,152 |
| | 0 | | 6,944 |
| | 0 | | 16,178 |
| | 0 | | 77,878 |
| | 0 | | 1,936 |
| | 0 | | 0 |
| \$ | 2,137 | \$ | 212,100 |
| | | | |
| \$ | 2,137 | \$ | 4,902 |

| | | | | | |
|----|-------|----|---------|----|-------|
| \$ | 0 | \$ | 0 | \$ | 0 |
| | 0 | | 77,878 | | 0 |
| \$ | 0 | \$ | 77,878 | \$ | 0 |
| | 2,137 | | 134,222 | | 4,902 |
| \$ | 2,137 | \$ | 212,100 | \$ | 4,902 |

| 1997 SPECIAL ASSESSMENT | 1997 MICHIGAN TRANSPORTATION FUND | 1997 BUILDING AUTHORITY |
|-------------------------------|--|-------------------------------|
| \$ 210,228 | \$ 3,332 | \$ 6,481 |
| 15,043 | 0 | 0 |
| 6,874 | 0 | 0 |
| 15,738 | 0 | 0 |
| 94,429 | 0 | 0 |
| 40,444 | 0 | 0 |
| 0 | 0 | 31,923 |
| <u>\$ 382,756</u> | <u>\$ 3,332</u> | <u>\$ 38,404</u> |
| \$ 0 | \$ 1,860 | \$ 38,403 |
| 94,429 | 0 | 0 |
| \$ 94,429 | \$ 1,860 | \$ 38,403 |
| 288,327 | 1,472 | 1 |
| <u>\$ 382,756</u> | <u>\$ 3,332</u> | <u>\$ 38,404</u> |

| 1998 SPECIAL ASSESSMENT | 2000 SPECIAL ASSESSMENT | 2000 MICHIGAN TRANSPORTATION FUND | 2002 SPECIAL ASSESSMENT | 2004 CAPITAL IMPROVEMENT BOND | TOTALS |
|-------------------------------|-------------------------------|--|-------------------------------|--|---------------------|
| \$ 0 | \$ 43,924 | \$ 7,736 | \$ 5,239 | \$ 0 | \$ 306,829 |
| 0 | 0 | 0 | 0 | 0 | 245,332 |
| 0 | 3,974 | 0 | 5,516 | 0 | 30,511 |
| 0 | 8,787 | 0 | 12,960 | 0 | 90,346 |
| 0 | 52,051 | 0 | 86,853 | 0 | 338,101 |
| 0 | 0 | 0 | 0 | 11,323 | 53,735 |
| 0 | 0 | 0 | 0 | 0 | 31,923 |
| <u>\$ 0</u> | <u>\$ 108,736</u> | <u>\$ 7,736</u> | <u>\$ 110,568</u> | <u>\$ 11,323</u> | <u>\$ 1,096,777</u> |
| \$ 0 | \$ 25,813 | \$ 7,386 | \$ 0 | \$ 11,323 | \$ 85,185 |
| 0 | 52,051 | 0 | 86,853 | 0 | 338,101 |
| \$ 0 | \$ 77,864 | \$ 7,386 | \$ 86,853 | \$ 11,323 | \$ 423,286 |
| 0 | 30,872 | 350 | 23,715 | 0 | 673,491 |
| <u>\$ 0</u> | <u>\$ 108,736</u> | <u>\$ 7,736</u> | <u>\$ 110,568</u> | <u>\$ 11,323</u> | <u>\$ 1,096,777</u> |

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | 1990 MICHIGAN TRANSPORTATION FUND | 1992 SPECIAL ASSESSMENT | 1993 SPECIAL ASSESSMENT |
|--|--|-------------------------------|-------------------------------|
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | \$ 0 | \$ 29,519 | \$ 9,626 |
| Contributions from Local Units | 0 | 0 | 0 |
| Interest and Rents | 0 | 4,210 | 2,737 |
| Total Revenues | \$ 0 | \$ 33,729 | \$ 12,363 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 35,000 | \$ 25,000 | \$ 15,000 |
| Interest and Fiscal Charges | 1,175 | 3,815 | 3,173 |
| Audit | 400 | 540 | 540 |
| Total Expenditures | \$ 36,575 | \$ 29,355 | \$ 18,713 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (36,575) | \$ 4,374 | \$ (6,350) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In | \$ 35,932 | \$ 0 | \$ 0 |
| Transfers Out | 0 | (40,000) | 0 |
| Total Other Financing Sources (Uses) | \$ 35,932 | \$ (40,000) | \$ 0 |
| Net Change in Fund Balances | \$ (643) | \$ (35,626) | \$ (6,350) |
| <u>FUND BALANCES</u> - Beginning of Year | 643 | 150,218 | 79,251 |
| <u>FUND BALANCES</u> - End of Year | \$ 0 | \$ 114,592 | \$ 72,901 |

| 1993 | | 1996 | |
|----------------|--------------|----------------|--|
| MICHIGAN | | MICHIGAN | |
| TRANSPORTATION | 1996 | TRANSPORTATION | |
| FUND | SPECIAL | FUND | |
| | ASSESSMENT | | |
| \$ 0 | \$ 16,489 | \$ 0 | |
| 0 | 0 | 0 | |
| 0 | 11,967 | 0 | |
| <hr/> | | | |
| \$ 0 | \$ 28,456 | \$ 0 | |
| <hr/> | | | |
| | | | |
| \$ 20,000 | \$ 30,000 | \$ 15,000 | |
| 1,910 | 8,958 | 8,138 | |
| 400 | 540 | 407 | |
| <hr/> | | | |
| \$ 22,310 | \$ 39,498 | \$ 23,545 | |
| <hr/> | | | |
| \$ (22,310) | \$ (11,042) | \$ (23,545) | |
| <hr/> | | | |
| \$ 21,610 | \$ (210,000) | \$ 23,400 | |
| 0 | 0 | 0 | |
| <hr/> | | | |
| \$ 21,610 | \$ (210,000) | \$ 23,400 | |
| <hr/> | | | |
| \$ (700) | \$ (221,042) | \$ (145) | |
| | | | |
| 2,837 | 355,264 | 5,047 | |
| <hr/> | | | |
| \$ 2,137 | \$ 134,222 | \$ 4,902 | |
| <hr/> | | | |

| 1997 SPECIAL ASSESSMENT | 1997 MICHIGAN TRANSPORTATION FUND | | 1997 BUILDING AUTHORITY |
|-------------------------------|--|----------|-------------------------------|
| | | | |
| \$ 42,699 | \$ | 0 | \$ 0 |
| 0 | | 0 | 31,923 |
| 8,436 | | 0 | 0 |
| <hr/> | | | |
| \$ 51,135 | \$ | 0 | \$ 31,923 |
| <hr/> | | | |
| | | | |
| \$ 25,000 | \$ | 10,000 | \$ 20,000 |
| 10,028 | | 3,475 | 11,523 |
| 550 | | 400 | 400 |
| <hr/> | | | |
| \$ 35,578 | \$ | 13,875 | \$ 31,923 |
| <hr/> | | | |
| | | | |
| \$ 15,557 | \$ | (13,875) | \$ 0 |
| <hr/> | | | |
| | | | |
| \$ 210,000 | \$ | 13,800 | \$ 0 |
| 0 | | 0 | 0 |
| <hr/> | | | |
| \$ 210,000 | \$ | 13,800 | \$ 0 |
| <hr/> | | | |
| \$ 225,557 | \$ | (75) | \$ 0 |
| | | | |
| 62,770 | | 1,547 | 1 |
| <hr/> | | | |
| \$ 288,327 | \$ | 1,472 | \$ 1 |
| <hr/> <hr/> | | | |

| 1998 SPECIAL ASSESSMENT | 2000 SPECIAL ASSESSMENT | 2000 MICHIGAN TRANSPORTATION FUND | 2002 SPECIAL ASSESSMENT | 2004 CAPITAL IMPROVEMENT BOND | TOTALS |
|-------------------------------|-------------------------------|--|-------------------------------|--|--------------|
| \$ 0 | \$ 9,957 | \$ 0 | \$ 22,319 | \$ 0 | \$ 130,609 |
| 0 | 0 | 0 | 0 | 0 | 31,923 |
| 0 | 3,592 | 0 | 2,673 | 0 | 33,615 |
| \$ 0 | \$ 13,549 | \$ 0 | \$ 24,992 | \$ 0 | \$ 196,147 |
| \$ 0 | \$ 20,000 | \$ 15,000 | \$ 35,000 | \$ 0 | \$ 265,000 |
| 0 | 7,603 | 14,648 | 10,691 | 9,814 | 94,951 |
| 0 | 548 | 400 | 540 | 0 | 5,665 |
| \$ 0 | \$ 28,151 | \$ 30,048 | \$ 46,231 | \$ 9,814 | \$ 365,616 |
| \$ 0 | \$ (14,602) | \$ (30,048) | \$ (21,239) | \$ (9,814) | \$ (169,469) |
| \$ 0 | \$ 40,000 | \$ 30,000 | \$ 0 | \$ 9,814 | \$ 174,556 |
| (77,759) | 0 | 0 | 0 | 0 | (117,759) |
| \$ (77,759) | \$ 40,000 | \$ 30,000 | \$ 0 | \$ 9,814 | \$ 56,797 |
| \$ (77,759) | \$ 25,398 | \$ (48) | \$ (21,239) | \$ 0 | \$ (112,672) |
| 77,759 | 5,474 | 398 | 44,954 | 0 | 786,163 |
| \$ 0 | \$ 30,872 | \$ 350 | \$ 23,715 | \$ 0 | \$ 673,491 |

CITY OF CADILLAC, MICHIGAN
1990 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|---------------|---------------|
| | | |
| <u>ASSETS</u> | | |
| Cash | \$ 368 | \$ 643 |
| Due from Other Funds | 32 | 0 |
| | | |
| TOTAL ASSETS | <u>\$ 400</u> | <u>\$ 643</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 400 | \$ 0 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | <u>0</u> | <u>643</u> |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 400</u> | <u>\$ 643</u> |

CITY OF CADILLAC, MICHIGAN
1990 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Interest and Rents | | | |
| Interest | \$ 0 | \$ 0 | \$ 8 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 35,000 | \$ 35,000 | \$ 35,000 |
| Interest and Fiscal Charges | 1,200 | 1,175 | 3,217 |
| Audit | 400 | 400 | 400 |
| Total Expenditures | \$ 36,600 | \$ 36,575 | \$ 38,617 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (36,600) | \$ (36,575) | \$ (38,609) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - Major Street | 35,900 | 35,932 | 38,600 |
| Net Change in Fund Balance | \$ (700) | \$ (643) | \$ (9) |
| <u>FUND BALANCE</u> - Beginning of Year | 652 | 643 | 652 |
| <u>FUND BALANCE</u> - End of Year (Deficit) | \$ (48) | \$ 0 | \$ 643 |

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 5,552 | \$ 27,684 |
| Investments | 76,728 | 76,020 |
| Receivables | | |
| Accrued Interest | 4,739 | 7,605 |
| Special Assessments - Current | 27,573 | 40,684 |
| Special Assessments - Deferred | 8,671 | 38,089 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | <u>\$ 123,263</u> | <u>\$ 190,082</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 0 | \$ 1,775 |
| Deferred Revenues | 8,671 | 38,089 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 8,671 | \$ 39,864 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 114,592 | 150,218 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 123,263</u> | <u>\$ 190,082</u> |

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | 2005 | | 2004 |
|---|-------------|-------------|--------------|
| | BUDGET | ACTUAL | ACTUAL |
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | | | |
| Special Assessments | \$ 35,000 | \$ 29,419 | \$ 43,767 |
| Penalties and Interest | 0 | 100 | 163 |
| Interest and Rents | | | |
| Interest on Assessments | 6,000 | 3,639 | 5,411 |
| Interest on Investments | 4,800 | 571 | 960 |
| Total Revenues | \$ 45,800 | \$ 33,729 | \$ 50,301 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Interest and Fiscal Charges | 3,900 | 3,815 | 5,310 |
| Audit | 600 | 540 | 540 |
| Total Expenditures | \$ 29,500 | \$ 29,355 | \$ 30,850 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ 16,300 | \$ 4,374 | \$ 19,451 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers Out | | | |
| 1993 Special Assessment Debt Retirement | \$ 0 | \$ 0 | \$ (5,100) |
| 1996 Special Assessment Debt Retirement | 0 | 0 | (120,958) |
| 2000 Special Assessment Debt Retirement | (40,000) | (40,000) | 0 |
| Total Other Financing Sources (Uses) | \$ (40,000) | \$ (40,000) | \$ (126,058) |
| Net Change in Fund Balance | \$ (23,700) | \$ (35,626) | \$ (106,607) |
| <u>FUND BALANCE</u> - Beginning of Year | 97,625 | 150,218 | 256,825 |
| <u>FUND BALANCE</u> - End of Year | \$ 73,925 | \$ 114,592 | \$ 150,218 |

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 5,918 | \$ 5,224 |
| Investments | 55,409 | 61,193 |
| Receivables | | |
| Accrued Interest | 2,464 | 3,608 |
| Special Assessments - Current | 9,110 | 9,240 |
| Special Assessments - Deferred | 18,219 | 27,811 |
| | | |
| TOTAL ASSETS | <u>\$ 91,120</u> | <u>\$ 107,076</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 0 | \$ 14 |
| Deferred Revenues | 18,219 | 27,811 |
| | | |
| Total Liabilities | \$ 18,219 | \$ 27,825 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 72,901 | 79,251 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 91,120</u> | <u>\$ 107,076</u> |

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | | | |
| Special Assessments | \$ 8,000 | \$ 9,591 | \$ 9,240 |
| Penalties and Interest | 0 | 35 | 113 |
| Interest and Rents | | | |
| Interest on Investments | 2,300 | 1,749 | 3,118 |
| Interest on Assessments | 2,500 | 988 | 2,779 |
| | | | |
| Total Revenues | <u>\$ 12,800</u> | <u>\$ 12,363</u> | <u>\$ 15,250</u> |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 15,000 | \$ 15,000 | \$ 15,000 |
| Interest and Fiscal Charges | 3,300 | 3,173 | 3,968 |
| Audit | 600 | 540 | 540 |
| | | | |
| Total Expenditures | <u>\$ 18,900</u> | <u>\$ 18,713</u> | <u>\$ 19,508</u> |
| | | | |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (6,100) | \$ (6,350) | \$ (4,258) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - 1992 Special Assessment Debt Retirement | <u>6,100</u> | <u>0</u> | <u>5,100</u> |
| | | | |
| Net Change in Fund Balance | \$ 0 | \$ (6,350) | \$ 842 |
| <u>FUND BALANCE - Beginning of Year</u> | <u>71,109</u> | <u>79,251</u> | <u>78,409</u> |
| | | | |
| <u>FUND BALANCE - End of Year</u> | <u>\$ 71,109</u> | <u>\$ 72,901</u> | <u>\$ 79,251</u> |

CITY OF CADILLAC, MICHIGAN
1993 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|----------|----------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 2,137 | \$ 2,837 |
| | <hr/> | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | \$ 0 | \$ 0 |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 2,137 | 2,837 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 2,137 | \$ 2,837 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
1993 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | \$ 0 | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 20,000 | \$ 20,000 | \$ 15,000 |
| Interest and Fiscal Charges | 2,000 | 1,910 | 2,830 |
| Audit | 400 | 400 | 400 |
| Total Expenditures | \$ 22,400 | \$ 22,310 | \$ 18,230 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (22,400) | \$ (22,310) | \$ (18,230) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - Local Street | 22,400 | 21,610 | 17,800 |
| Net Change in Fund Balance | \$ 0 | \$ (700) | \$ (430) |
| <u>FUND BALANCE</u> - Beginning of Year | 967 | 2,837 | 3,267 |
| <u>FUND BALANCE</u> - End of Year | \$ 967 | \$ 2,137 | \$ 2,837 |

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|------------|------------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 11,012 | \$ 20,352 |
| Investments | 98,152 | 305,194 |
| Receivables | | |
| Accrued Interest | 6,944 | 12,427 |
| Special Assessments - Current | 16,178 | 16,236 |
| Special Assessments - Deferred | 77,878 | 94,315 |
| Due from Other Funds | 1,936 | 1,239 |
| | <hr/> | |
| TOTAL ASSETS | \$ 212,100 | \$ 449,763 |
| | <hr/> | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 0 | \$ 184 |
| Deferred Revenues | 77,878 | 94,315 |
| | <hr/> | |
| Total Liabilities | \$ 77,878 | \$ 94,499 |
| | <hr/> | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 134,222 | 355,264 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 212,100 | \$ 449,763 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------------|---------------------|--------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | | | |
| Special Assessments | \$ 28,000 | \$ 16,437 | \$ 18,469 |
| Penalties and Interest | 100 | 52 | 118 |
| Interest and Rents | | | |
| Interest on Investments | 5,000 | 5,759 | 6,960 |
| Interest on Assessments | 8,500 | 6,208 | 7,232 |
| Total Revenues | <u>\$ 41,600</u> | <u>\$ 28,456</u> | <u>\$ 32,779</u> |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 30,000 | \$ 30,000 | \$ 35,000 |
| Interest and Fiscal Charges | 9,000 | 8,958 | 10,670 |
| Audit | 500 | 540 | 540 |
| Total Expenditures | <u>\$ 39,500</u> | <u>\$ 39,498</u> | <u>\$ 46,210</u> |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | <u>\$ 2,100</u> | <u>\$ (11,042)</u> | <u>\$ (13,431)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In (Out) | | | |
| 1992 Special Assessment Debt Retirement | \$ 0 | \$ 0 | \$ 120,958 |
| 1997 Special Assessment Debt Retirement | (180,000) | (210,000) | 0 |
| Total Other Financing Sources (Uses) | <u>\$ (180,000)</u> | <u>\$ (210,000)</u> | <u>\$ 120,958</u> |
| Net Change in Fund Balance | <u>\$ (177,900)</u> | <u>\$ (221,042)</u> | <u>\$ 107,527</u> |
| <u>FUND BALANCE</u> - Beginning of Year | <u>415,737</u> | <u>355,264</u> | <u>247,737</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 237,837</u> | <u>\$ 134,222</u> | <u>\$ 355,264</u> |

CITY OF CADILLAC, MICHIGAN
1996 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-----------------|-----------------|
| | | |
| <u>ASSETS</u> | | |
| Cash | <u>\$ 4,902</u> | <u>\$ 5,047</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | \$ 0 | \$ 0 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | <u>4,902</u> | <u>5,047</u> |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 4,902</u> | <u>\$ 5,047</u> |

CITY OF CADILLAC, MICHIGAN
1996 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | \$ 0 | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | | | |
| Debt Retirement | | | |
| Principal Retirement | \$ 15,000 | \$ 15,000 | \$ 15,000 |
| Interest and Fiscal Charges | 8,200 | 8,138 | 9,018 |
| Audit | 400 | 400 | 400 |
| Office Supplies | 0 | 7 | 0 |
| | | | |
| Total Expenditures | \$ 23,600 | \$ 23,545 | \$ 24,418 |
| | | | |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (23,600) | \$ (23,545) | \$ (24,418) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - Local Street | 23,600 | 23,400 | 29,200 |
| | | | |
| Net Change in Fund Balance | \$ 0 | \$ (145) | \$ 4,782 |
| <u>FUND BALANCE - Beginning of Year</u> | 965 | 5,047 | 265 |
| | | | |
| <u>FUND BALANCE - End of Year</u> | \$ 965 | \$ 4,902 | \$ 5,047 |

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 210,228 | \$ 18,644 |
| Investments | 15,043 | 14,757 |
| Receivables | | |
| Accrued Interest | 6,874 | 9,779 |
| Special Assessments - Current | 15,738 | 19,590 |
| Special Assessments - Deferred | 94,429 | 137,128 |
| Due from Other Funds | 40,444 | 0 |
| | | |
| TOTAL ASSETS | <u>\$ 382,756</u> | <u>\$ 199,898</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Deferred Revenues | \$ 94,429 | \$ 137,128 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 288,327 | 62,770 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 382,756</u> | <u>\$ 199,898</u> |

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | | | |
| Special Assessments | \$ 18,000 | \$ 42,699 | \$ 21,970 |
| Interest and Rents | | | |
| Interest on Investments | 100 | 546 | 104 |
| Interest on Assessments | 8,400 | 7,890 | 9,700 |
| | | | |
| Total Revenues | \$ 26,500 | \$ 51,135 | \$ 31,774 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Interest and Fiscal Charges | 10,200 | 10,028 | 11,298 |
| Audit | 600 | 540 | 540 |
| Office Supplies | 0 | 10 | 0 |
| | | | |
| Total Expenditures | \$ 35,800 | \$ 35,578 | \$ 36,838 |
| | | | |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (9,300) | \$ 15,557 | \$ (5,064) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - 1996 Special Assessment Debt Retirement | 210,000 | 210,000 | 0 |
| | | | |
| Net Change in Fund Balance | \$ 200,700 | \$ 225,557 | \$ (5,064) |
| | | | |
| <u>FUND BALANCE</u> - Beginning of Year | 59,234 | 62,770 | 67,834 |
| | | | |
| <u>FUND BALANCE</u> - End of Year | \$ 259,934 | \$ 288,327 | \$ 62,770 |

CITY OF CADILLAC, MICHIGAN
1997 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|----------|----------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 3,332 | \$ 1,547 |
| | <hr/> | |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 1,860 | \$ 0 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 1,472 | 1,547 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 3,332 | \$ 1,547 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
1997 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------|-----------------|-----------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | \$ 0 | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Interest and Fiscal Charges | 3,600 | 3,475 | 3,980 |
| Audit | 400 | 400 | 400 |
| | <u>14,000</u> | <u>13,875</u> | <u>14,380</u> |
| Total Expenditures | \$ 14,000 | \$ 13,875 | \$ 14,380 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (14,000) | \$ (13,875) | \$ (14,380) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - Local Street | 14,000 | 13,800 | 13,900 |
| Net Change in Fund Balance | \$ 0 | \$ (75) | \$ (480) |
| <u>FUND BALANCE - Beginning of Year</u> | <u>726</u> | <u>1,547</u> | <u>2,027</u> |
| <u>FUND BALANCE - End of Year</u> | <u>\$ 726</u> | <u>\$ 1,472</u> | <u>\$ 1,547</u> |

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 6,481 | \$ 273 |
| Due from Other Governments | 31,923 | 6,208 |
| | <hr/> | <hr/> |
| Total Assets | \$ 38,404 | \$ 6,481 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 38,403 | \$ 6,480 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 1 | 1 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 38,404 | \$ 6,481 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Contributions from Local Units | | | |
| D.D.A. Capital Projects | \$ 32,000 | \$ 31,923 | \$ 32,392 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Interest and Fiscal Charges | 11,600 | 11,523 | 12,487 |
| Audit | 400 | 400 | 400 |
| Total Expenditures | \$ 32,000 | \$ 31,923 | \$ 32,887 |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ 0 | \$ 0 | \$ (495) |
| <u>FUND BALANCE</u> - Beginning of Year | 496 | 1 | 496 |
| <u>FUND BALANCE</u> - End of Year | \$ 496 | \$ 1 | \$ 1 |

CITY OF CADILLAC, MICHIGAN
1998 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|-------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 0 | \$ 21,536 |
| Investments | 0 | 36,617 |
| Receivables | | |
| Accrued Interest | 0 | 6,575 |
| Special Assessments - Current | 0 | 13,031 |
| Special Assessments - Deferred | 0 | 83,909 |
| | | |
| TOTAL ASSETS | <u>\$ 0</u> | <u>\$ 161,668</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Deferred Revenues | \$ 0 | \$ 83,909 |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 0 | 77,759 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 0</u> | <u>\$ 161,668</u> |

CITY OF CADILLAC, MICHIGAN
1998 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|
| <u>REVENUES</u> | | |
| Taxes and Special Assessments | | |
| Special Assessments | \$ 0 | \$ 18,725 |
| Interest and Rents | | |
| Interest on Investments | 0 | 260 |
| Interest on Assessments | 0 | 7,031 |
| | <hr/> | <hr/> |
| Total Revenues | \$ 0 | \$ 26,016 |
| | <hr/> | <hr/> |
| <u>EXPENDITURES</u> | | |
| Debt Service | | |
| Interest and Fiscal Charges | \$ 0 | \$ 8 |
| Audit | 0 | 400 |
| | <hr/> | <hr/> |
| Total Expenditures | \$ 0 | \$ 408 |
| | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 0 | \$ 25,608 |
| | <hr/> | <hr/> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Transfers Out - Special Assessment Capital Projects Fund | (77,759) | 0 |
| | <hr/> | <hr/> |
| Net Change in Fund Balance | \$ (77,759) | \$ 25,608 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> - Beginning of Year | 77,759 | 52,151 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> - End of Year | \$ 0 | \$ 77,759 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 43,924 | \$ 3,463 |
| Receivables | | |
| Accrued Interest | 3,974 | 4,602 |
| Special Assessments - Current | 8,787 | 9,891 |
| Special Assessments - Deferred | 52,051 | 62,008 |
| Due from Other Funds | 0 | 188 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | <u>\$ 108,736</u> | <u>\$ 80,152</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 25,813 | \$ 12,670 |
| Deferred Revenues | 52,051 | 62,008 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 77,864 | \$ 74,678 |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 30,872 | 5,474 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 108,736</u> | <u>\$ 80,152</u> |

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | | | |
| Special Assessments | \$ 15,300 | \$ 9,957 | \$ 10,501 |
| Penalties and Interest | 100 | 0 | 0 |
| Interest and Rents | | | |
| Interest on Assessments | 5,500 | 3,592 | 4,651 |
| | | | |
| Total Revenues | \$ 20,900 | \$ 13,549 | \$ 15,152 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Interest and Fiscal Charges | 7,700 | 7,603 | 8,950 |
| Audit | 600 | 540 | 540 |
| Office Supplies | 0 | 8 | 0 |
| | | | |
| Total Expenditures | \$ 28,300 | \$ 28,151 | \$ 29,490 |
| | | | |
| Excess (Deficiency) of | | | |
| Revenues Over Expenditures | \$ (7,400) | \$ (14,602) | \$ (14,338) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - 1992 Special Assessment Debt Retirement | 40,000 | 40,000 | 0 |
| | | | |
| Net Change in Fund Balance | \$ 32,600 | \$ 25,398 | \$ (14,338) |
| | | | |
| <u>FUND BALANCE</u> - Beginning of Year | 16,612 | 5,474 | 19,812 |
| | | | |
| <u>FUND BALANCE</u> - End of Year | \$ 49,212 | \$ 30,872 | \$ 5,474 |

CITY OF CADILLAC, MICHIGAN
2000 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 7,736 | \$ 398 |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 7,386 | \$ 0 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 350 | 398 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 7,736 | \$ 398 |

CITY OF CADILLAC, MICHIGAN
2000 MICHIGAN TRANSPORTATION FUND DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | \$ 0 | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 15,000 | \$ 15,000 | \$ 10,000 |
| Interest and Fiscal Charges | 14,800 | 14,648 | 15,040 |
| Audit | 400 | 400 | 400 |
| Total Expenditures | \$ 30,200 | \$ 30,048 | \$ 25,440 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (30,200) | \$ (30,048) | \$ (25,440) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers In - Local Street | 30,200 | 30,000 | 25,300 |
| Net Change in Fund Balance | \$ 0 | \$ (48) | \$ (140) |
| <u>FUND BALANCE - Beginning of Year</u> | 139 | 398 | 538 |
| <u>FUND BALANCE - End of Year</u> | \$ 139 | \$ 350 | \$ 398 |

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 5,239 | \$ 20,676 |
| Receivables | | |
| Accrued Interest | 5,516 | 6,786 |
| Special Assessments - Current | 12,960 | 14,167 |
| Special Assessments - Deferred | 86,853 | 109,173 |
| Due from Other Funds | 0 | 3,325 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 110,568 | \$ 154,127 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Deferred Revenue | \$ 86,853 | \$ 109,173 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 23,715 | 44,954 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 110,568 | \$ 154,127 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|---------------|---------------|---------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes and Special Assessments | | | |
| Special Assessments | \$ 36,200 | \$ 22,319 | \$ 24,133 |
| Interest and Rents | | | |
| Interest on Assessments | 10,200 | 2,673 | 4,744 |
| Total Revenues | \$ 46,400 | \$ 24,992 | \$ 28,877 |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 35,000 | \$ 35,000 | \$ 30,000 |
| Interest and Fiscal Charges | 10,800 | 10,691 | 11,735 |
| Audit | 600 | 540 | 540 |
| Total Expenditures | \$ 46,400 | \$ 46,231 | \$ 42,275 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 0 | \$ (21,239) | \$ (13,398) |
| <u>FUND BALANCE</u> - Beginning of Year | 61,751 | 44,954 | 58,352 |
| <u>FUND BALANCE</u> - End of Year | \$ 61,751 | \$ 23,715 | \$ 44,954 |

CITY OF CADILLAC, MICHIGAN
2004 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

BALANCE SHEET
JUNE 30, 2005

ASSETS

| | |
|----------------------|-----------|
| Due from Other Funds | \$ 11,323 |
|----------------------|-----------|

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|--------------------|-----------|
| Due to Other Funds | \$ 11,323 |
|--------------------|-----------|

FUND BALANCE

| | |
|---------------------------|---|
| Reserved for Debt Service | 0 |
|---------------------------|---|

| | |
|------------------------------------|-----------|
| TOTAL LIABILITIES AND FUND BALANCE | \$ 11,323 |
|------------------------------------|-----------|

CITY OF CADILLAC, MICHIGAN
2004 CAPITAL IMPROVEMENT BONDS DEBT RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

| | <u>BUDGET</u> | <u>ACTUAL</u> |
|---|---------------|---------------|
| <u>REVENUES</u> | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | | |
| Debt Service | | |
| Interest and Fiscal Charges | \$ 15,000 | \$ 9,814 |
| Bond Issuance Costs | 21,000 | 0 |
| | <hr/> | <hr/> |
| Total Expenditures | \$ 36,000 | \$ 9,814 |
| | <hr/> | <hr/> |
| Excess (Deficiency) of | | |
| Revenues Over Expenditures | \$ (36,000) | \$ (9,814) |
| | <hr/> | <hr/> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Bond Proceeds | \$ 1,015,000 | \$ 0 |
| Transfers In | | |
| Major Street Fund | 0 | 2,846 |
| Local Street Fund | 0 | 6,968 |
| Transfers Out | | |
| Major Street Fund | (285,000) | 0 |
| Local Street Fund | (694,000) | 0 |
| | <hr/> | <hr/> |
| Total Other Financing Sources (Uses) | \$ 36,000 | \$ 9,814 |
| | <hr/> | <hr/> |
| Net Change in Fund Balance | \$ 0 | \$ 0 |
| <u>FUND BALANCE</u> - Beginning of Year | 0 | 0 |
| | <hr/> | <hr/> |
| <u>FUND BALANCE</u> - End of Year | \$ 0 | \$ 0 |
| | <hr/> <hr/> | <hr/> <hr/> |

NONMAJOR CAPITAL PROJECTS FUNDS

Nonmajor Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The accounting for this group of funds is on the modified accrual basis.

Industrial Park Fund - The purpose is the acquisition and development of a 240 acre tract of land into an industrial park for light manufacturing companies. Part of the development costs of 95.5 acres have been through a Small Cities Grant from the State of Michigan Department of Commerce.

James E. Potvin Industrial Park Fund - The purpose is to develop the infrastructure of the 40 acres acquired to house the expanded industrial park. Grants are the major source of revenue for this fund.

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

| | JAMES E. POTVIN | | |
|--|-----------------|------------|------------|
| | INDUSTRIAL | INDUSTRIAL | TOTALS |
| | PARK | PARK | |
| <u>ASSETS</u> | | | |
| Cash | \$ 63,853 | \$ 428 | \$ 64,281 |
| Investments | 117,918 | 0 | 117,918 |
| Receivables | | | |
| Accrued Interest | 2,597 | 0 | 2,597 |
| Due from Other Funds | 0 | 3,403 | 3,403 |
| | | | |
| TOTAL ASSETS | \$ 184,368 | \$ 3,831 | \$ 188,199 |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 55 | \$ 3,831 | \$ 3,886 |
| Due to Other Funds | 2,840 | 0 | 2,840 |
| | | | |
| Total Liabilities | \$ 2,895 | \$ 3,831 | \$ 6,726 |
| | | | |
| <u>FUND BALANCES</u> | | | |
| Reserved for | | | |
| Industrial Development | 181,473 | 0 | 181,473 |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 184,368 | \$ 3,831 | \$ 188,199 |

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | INDUSTRIAL PARK | JAMES E. POTVIN INDUSTRIAL PARK | TOTALS |
|--|--------------------|---------------------------------------|------------|
| <u>REVENUES</u> | | | |
| Interest and Rents | \$ 5,362 | \$ 0 | \$ 5,362 |
| <u>EXPENDITURES</u> | | | |
| Capital Outlay | \$ 8,843 | \$ 0 | \$ 8,843 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (3,481) | \$ 0 | \$ (3,481) |
| <u>FUND BALANCES</u> - Beginning of Year | 184,954 | 0 | 184,954 |
| <u>FUND BALANCES</u> - End of Year | \$ 181,473 | \$ 0 | \$ 181,473 |

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 63,853 | \$ 902 |
| Investments | 117,918 | 180,375 |
| Receivables | | |
| Accrued Interest | <u>2,597</u> | <u>3,677</u> |
| TOTAL ASSETS | <u>\$ 184,368</u> | <u>\$ 184,954</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 55 | \$ 0 |
| Due to Other Funds | <u>2,840</u> | <u>0</u> |
| Total Liabilities | \$ 2,895 | \$ 0 |
| <u>FUND BALANCE</u> | | |
| Reserved for Industrial Development | <u>181,473</u> | <u>184,954</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 184,368</u> | <u>\$ 184,954</u> |

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|
| <u>REVENUES</u> | | |
| Interest and Rents | | |
| Interest | \$ 5,362 | \$ 254 |
| <u>EXPENDITURES</u> | | |
| Capital Outlay | | |
| Contracted Services | \$ 4,114 | \$ 28,718 |
| Fees and Commissions | 0 | 250 |
| Property Taxes | 4,079 | 3,235 |
| Audit | 650 | 650 |
| Total Expenditures | \$ 8,843 | \$ 32,853 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (3,481) | \$ (32,599) |
| <u>FUND BALANCE</u> - Beginning of Year | 184,954 | 217,553 |
| <u>FUND BALANCE</u> - End of Year | \$ 181,473 | \$ 184,954 |

CITY OF CADILLAC, MICHIGAN
JAMES E. POTVIN INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|------------------------------------|-------------------------------------|----------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 428 | \$ 428 |
| Due from Other Funds | 3,403 | 3,403 |
| | <hr/> | |
| TOTAL ASSETS | \$ 3,831 | \$ 3,831 |
| | <hr/> | |
| | <u>LIABILITIES AND FUND BALANCE</u> | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 3,831 | \$ 3,831 |
| | <hr/> | |
| <u>FUND BALANCE</u> | 0 | 0 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 3,831 | \$ 3,831 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
JAMES E. POTVIN INDUSTRIAL PARK FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|--------------------|--------------------|
| <u>REVENUES</u> | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 0 | \$ 0 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>0</u> | <u>0</u> |
| <u>FUND BALANCE</u> - End of Year | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |

NONMAJOR PERMANENT FUNDS

Nonmajor Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

In this category, the City of Cadillac administers the transactions of the:

Cemetery Perpetual Care Fund - Perpetual care of a cemetery lot is part of the purchase price. This principal amount is an endowment and the investment income is used to maintain the cemetery operation.

Capital Projects Trust Fund - The gain from the sale of the City's investment in an electric cogeneration plant has been set aside as an endowment for capital projects. Investment earnings from the endowment will be used for capital projects as deemed appropriate by the City Council.

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

| | CEMETERY PERPETUAL CARE | CAPITAL PROJECTS TRUST | TOTALS |
|--|-------------------------------|------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 24,820 | \$ 116,845 | \$ 141,665 |
| Investments | 451,647 | 552,394 | 1,004,041 |
| | | | |
| TOTAL ASSETS | <u>\$ 476,467</u> | <u>\$ 669,239</u> | <u>\$ 1,145,706</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| <u>LIABILITIES</u> | | | |
| Due to Other Funds | <u>\$ 16,935</u> | <u>\$ 0</u> | <u>\$ 16,935</u> |
| <u>FUND BALANCES</u> | | | |
| Reserved For: | | | |
| Cemetery Perpetual Care | \$ 459,532 | \$ 0 | \$ 459,532 |
| Capital Projects | 0 | 669,239 | 669,239 |
| | | | |
| Total Fund Balances | <u>\$ 459,532</u> | <u>\$ 669,239</u> | <u>\$ 1,128,771</u> |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 476,467</u> | <u>\$ 669,239</u> | <u>\$ 1,145,706</u> |

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | <u>CEMETERY PERPETUAL CARE FUND</u> | <u>CAPITAL PROJECTS TRUST FUND</u> | <u>TOTALS</u> |
|--|---|--|---------------|
| <u>REVENUES</u> | | | |
| Interest and Rents | | | |
| Interest | \$ 29,280 | \$ 3,626 | \$ 32,906 |
| Gain on Investments | 21,709 | 7,269 | 28,978 |
| Other Revenues | 6,587 | 0 | 6,587 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | \$ 57,576 | \$ 10,895 | \$ 68,471 |
| <u>EXPENDITURES</u> | | | |
| General Government | | | |
| Contractual Services | 1,000 | 400 | 1,400 |
| | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 56,576 | \$ 10,495 | \$ 67,071 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers (Out) | (29,065) | 0 | (29,065) |
| | <hr/> | <hr/> | <hr/> |
| Net Change in Fund Balances | \$ 27,511 | \$ 10,495 | \$ 38,006 |
| <u>FUND BALANCES</u> - Beginning of Year | 432,021 | 658,744 | 1,090,765 |
| | <hr/> | <hr/> | <hr/> |
| <u>FUND BALANCES</u> - End of Year | \$ 459,532 | \$ 669,239 | \$ 1,128,771 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--------------------------------------|-------------------------------------|-------------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 24,820 | \$ 5,714 |
| Investments | 451,647 | 426,266 |
| Due from Other Funds | 0 | 1,163 |
| | <hr/> | |
| TOTAL ASSETS | \$ 476,467 | \$ 433,143 |
| | <hr/> | |
| | <u>LIABILITIES AND FUND BALANCE</u> | |
| | <hr/> | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 16,935 | \$ 1,122 |
| | <hr/> | |
| <u>FUND BALANCE</u> | | |
| Reserved for Cemetery Perpetual Care | 459,532 | 432,021 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 476,467 | \$ 433,143 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|--------------------------|--------------------------|
| <u>REVENUES</u> | | |
| Interest and Rents | | |
| Interest | \$ 29,280 | \$ 25,485 |
| Gain (Loss) on Investments | 21,709 | 26,891 |
| Other Revenue | | |
| Perpetual Care of Lots | <u>6,587</u> | <u>6,875</u> |
| Total Revenues | \$ 57,576 | \$ 59,251 |
| <u>EXPENDITURES</u> | | |
| General Government | | |
| Audit | <u>1,000</u> | <u>1,000</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 56,576 | \$ 58,251 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Transfers (Out) | | |
| Cemetery Operating Fund | <u>(29,065)</u> | <u>(25,485)</u> |
| Net Change in Fund Balance | \$ 27,511 | \$ 32,766 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>432,021</u> | <u>399,255</u> |
| <u>FUND BALANCE</u> - End of Year | <u><u>\$ 459,532</u></u> | <u><u>\$ 432,021</u></u> |

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 116,845 | \$ 21,836 |
| Investments | 552,394 | 634,526 |
| Receivables | | |
| Accrued Interest | 0 | 2,468 |
| TOTAL ASSETS | <u>\$ 669,239</u> | <u>\$ 658,830</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 0 | \$ 86 |
| <u>FUND BALANCE</u> | | |
| Reserved for: | | |
| Capital Projects Endowment | 669,239 | 658,744 |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 669,239</u> | <u>\$ 658,830</u> |

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|--------------------------|--------------------------|
| <u>REVENUES</u> | | |
| Interest and Rents | | |
| Interest | \$ 3,626 | \$ 3,098 |
| Gain on Investments | <u>7,269</u> | <u>98,048</u> |
| Total Revenues | \$ 10,895 | \$ 101,146 |
| <u>EXPENDITURES</u> | | |
| General Government | | |
| Audit | <u>400</u> | <u>400</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 10,495 | \$ 100,746 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Transfers (Out) | | |
| Local Street Fund | <u>0</u> | <u>(10,000)</u> |
| Net Change in Fund Balance | \$ 10,495 | \$ 90,746 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>658,744</u> | <u>567,998</u> |
| <u>FUND BALANCE</u> - End of Year | <u><u>\$ 669,239</u></u> | <u><u>\$ 658,744</u></u> |

NONMAJOR PROPRIETARY FUND

Proprietary funds are used to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. The significant characteristic of Proprietary Funds is that the accounting system must make it possible to show whether the activity is operated at a profit or loss, similar to comparable private enterprises. Thus, the reports of proprietary funds are self-contained and creditors, legislators or the general public can evaluate the performance of the municipal enterprise on the same basis as they can evaluate the performance of investor-owned enterprises in the same industry.

Automobile Parking System Fund - This fund accounts for operations of the on-street and off-street parking facilities within the City.

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF NET ASSETS

JUNE 30,

| | 2005 | 2004 |
|-------------------------------|------------|------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 89,083 | \$ 0 |
| Receivables | | |
| Account | 2,113 | 0 |
| Interest | 0 | 748 |
| Investments | 0 | 90,076 |
| Prepaid Expense | 0 | 23 |
| Due from Other Funds | 0 | 5,865 |
| | | |
| Total Current Assets | \$ 91,196 | \$ 96,712 |
| | | |
| <u>NONCURRENT ASSETS</u> | | |
| <u>CAPITAL ASSETS</u> | | |
| Land | \$ 249,221 | \$ 249,221 |
| Land Improvements | 561,820 | 561,820 |
| | \$ 811,041 | \$ 811,041 |
| Less Accumulated Depreciation | 133,751 | 116,464 |
| | | |
| Net Capital Assets | \$ 677,290 | \$ 694,577 |
| | | |
| TOTAL ASSETS | \$ 768,486 | \$ 791,289 |
| | | |
| <u>LIABILITIES</u> | | |
| Bank Overdraft | \$ 0 | \$ 24,492 |
| Accounts Payable | 2,469 | 0 |
| Due to Other Funds | 69 | 0 |
| | | |
| TOTAL LIABILITIES | \$ 2,538 | \$ 24,492 |
| | | |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets | \$ 677,290 | \$ 694,577 |
| Unrestricted | 88,658 | 72,220 |
| | | |
| TOTAL NET ASSETS | \$ 765,948 | \$ 766,797 |

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|--|------------|------------|
| <u>OPERATING REVENUES</u> | | |
| Charges for Services | | |
| Parking Lot Assessments | \$ 40,710 | \$ 40,216 |
| Parking Violations | 2,160 | 1,723 |
| Courtesy Parking | 1,085 | 1,220 |
| Other Revenue | 2,302 | 773 |
| | <hr/> | <hr/> |
| Total Operating Revenues | \$ 46,257 | \$ 43,932 |
| | <hr/> | <hr/> |
| <u>OPERATING EXPENSES</u> | | |
| Personal Services | \$ 2,381 | \$ 2,048 |
| Employee Benefits | 1,350 | 1,184 |
| Office Supplies | 146 | 196 |
| Audit | 800 | 800 |
| Data Processing | 2,900 | 2,600 |
| Depreciation | 17,287 | 15,825 |
| Snow Removal | | |
| Personal Services | 4,445 | 5,474 |
| Employee Benefits | 3,706 | 3,794 |
| Operating Supplies | 0 | 169 |
| Equipment Rental | 12,605 | 15,186 |
| Lot Maintenance | | |
| Personal Services | 246 | 94 |
| Employee Benefits | 151 | 65 |
| Operating Supplies | 2,467 | 49 |
| Equipment Rental | 157 | 132 |
| | <hr/> | <hr/> |
| Total Operating Expenses | \$ 48,641 | \$ 47,616 |
| | <hr/> | <hr/> |
| Operating Income (Loss) | \$ (2,384) | \$ (3,684) |
| | <hr/> | <hr/> |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | 1,535 | 1,247 |
| | <hr/> | <hr/> |
| Income (Loss) Before Capital Contributions | \$ (849) | \$ (2,437) |
| | <hr/> | <hr/> |

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|--------------------------|--------------------------|
| <u>CAPITAL CONTRIBUTIONS</u> | | |
| Contributions from Local Units - D.D.A. Capital Projects | \$ 0 | \$ 96,903 |
| Contributions and Donations from Private Sources | <u>0</u> | <u>116,550</u> |
| Total Capital Contributions | <u>\$ 0</u> | <u>\$ 213,453</u> |
| Change in Net Assets | \$ (849) | \$ 211,016 |
| <u>TOTAL NET ASSETS</u> - Beginning of Year | <u>766,797</u> | <u>555,781</u> |
| <u>TOTAL NET ASSETS</u> -End of Year | <u><u>\$ 765,948</u></u> | <u><u>\$ 766,797</u></u> |

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|------------------|--------------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Customers | \$ 47,707 | \$ 37,294 |
| Cash Payments to Suppliers for Goods and Services | (21,721) | (46,893) |
| Cash Payments to Employees for Services | (7,072) | (7,722) |
| Other Operating Revenues | 2,302 | 773 |
| | | |
| Net Cash Provided (Used) by Operating Activities | \$ 21,216 | \$ (16,548) |
| | | |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition and Construction of Capital Assets | \$ 0 | \$ (96,903) |
| Contributions from Local Units | 0 | 96,903 |
| | | |
| Net Cash Provided (Used) for Capital and Related Financing Activities | \$ 0 | \$ 0 |
| | | |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 2,283 | \$ 499 |
| Purchase of Investment Securities | 0 | (91,370) |
| Proceeds from Sale and Maturities of Investment Securities | 90,076 | 56,492 |
| | | |
| Net Cash Provided (Used) by Investing Activities | \$ 92,359 | \$ (34,379) |
| | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 113,575 | \$ (50,927) |
| | | |
| <u>CASH AND CASH EQUIVALENTS - Beginning of Year</u> | <u>(24,492)</u> | <u>26,435</u> |
| | | |
| <u>CASH AND CASH EQUIVALENTS (OVERDRAFT) - End of Year</u> | <u>\$ 89,083</u> | <u>\$ (24,492)</u> |
| | | |
| <u>SIGNIFICANT NONCASH TRANSACTIONS</u> | | |
| Land Donation | \$ 0 | \$ 116,550 |

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|-------------|-------------|
| <u>RECONCILIATION OF OPERATING INCOME</u> | | |
| <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | \$ (2,384) | \$ (3,684) |
| Adjustments to Reconcile Operating Income | | |
| To Net Cash Provided by Operating Activities: | | |
| Depreciation | \$ 17,287 | \$ 15,825 |
| (Increase) Decrease in Current Assets | | |
| Accounts Receivable | (2,113) | 0 |
| Prepaid Expense | 23 | 7 |
| Due from Other Funds | 5,865 | (5,865) |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | 2,469 | (21,671) |
| Other Accrued Expenses | 0 | (106) |
| Due to Other Funds | 69 | (1,054) |
| Total Adjustments | \$ 23,600 | \$ (12,864) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 21,216 | \$ (16,548) |

INTERNAL SERVICE FUNDS

Internal service funds are established to finance and account for services and/or commodities furnished by a designated program to other programs within the City. Since the services and commodities are supplied exclusively to programs under the City's jurisdiction, they are distinguishable from those services which are rendered to the public in general and which are accounted for in general, special revenue or enterprise funds.

The City of Cadillac Central Stores and Municipal Garage Fund, Data Processing Fund, Self-Insurance Fund and Safety Fund make up the internal service funds category.

Central Stores and Municipal Garage Fund - Operates the motor pool for the City.

Data Processing Fund - Provides computer services to the various other funds that use the City's computer.

Self-Insurance Fund - Is a self-funded account that provides for hospitalization and life insurance for municipal employees at a limited amount of risk to the City.

Safety Fund - This fund was created to educate and encourage safety throughout the City organizations.

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2005

| | CENTRAL STORES AND MUNICIPAL GARAGE | DATA PROCESSING |
|--|--|--------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 36,067 | \$ 17,309 |
| Investments | 308 | 0 |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | | |
| Accounts | 8,428 | 0 |
| Accrued Interest | 0 | 0 |
| Due from Other Funds | 45,969 | 0 |
| Inventory, At Cost | 47,271 | 405 |
| Capital Assets (Net of Accumulated Depreciation) | 873,186 | 318,681 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 1,011,229 | \$ 336,395 |
| | <hr/> | <hr/> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 9,367 | \$ 18,482 |
| Other Accrued Expenses | 44,130 | 2,739 |
| Due to Other Funds | 149,992 | 153,885 |
| TOTAL LIABILITIES | <hr/> \$ 203,489 | <hr/> \$ 175,106 |
| | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 873,186 | \$ 318,681 |
| Restricted for: | | |
| Retirees' Life Insurance | 0 | 0 |
| Employees' Life and Health Insurance | 0 | 0 |
| Unrestricted (Deficit) | (65,446) | (157,392) |
| | <hr/> | <hr/> |
| TOTAL NET ASSETS | <hr/> \$ 807,740 | <hr/> \$ 161,289 |
| | <hr/> | <hr/> |

| SELF- INSURANCE | SAFETY | TOTALS |
|--------------------|----------|--------------|
| \$ 92,873 | \$ 9,753 | \$ 156,002 |
| 518,790 | 0 | 519,098 |
| 50 | 0 | 8,478 |
| 11,911 | 0 | 11,911 |
| 110,234 | 0 | 156,203 |
| 0 | 0 | 47,676 |
| 0 | 0 | 1,191,867 |
| \$ 733,858 | \$ 9,753 | \$ 2,091,235 |
| \$ 32,414 | \$ 2,180 | \$ 62,443 |
| 0 | 0 | 46,869 |
| 0 | 1,313 | 305,190 |
| \$ 32,414 | \$ 3,493 | \$ 414,502 |
| \$ 0 | \$ 0 | \$ 1,191,867 |
| 179,285 | 0 | 179,285 |
| 522,159 | 0 | 522,159 |
| 0 | 6,260 | (216,578) |
| \$ 701,444 | \$ 6,260 | \$ 1,676,733 |

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2005

| | CENTRAL STORES AND MUNICIPAL GARAGE | DATA PROCESSING |
|---|--|--------------------|
| <u>OPERATING REVENUES</u> | | |
| Charges for Services | \$ 473,257 | \$ 251,600 |
| Other Revenue | 0 | 0 |
| Total Operating Revenues | \$ 473,257 | \$ 251,600 |
| <u>OPERATING EXPENSES</u> | | |
| Personal Services | \$ 150,287 | \$ 43,220 |
| Contractual Services | 68,306 | 79,522 |
| Supplies | 88,311 | 6,183 |
| Heat, Light and Power | 22,304 | 561 |
| Depreciation | 114,312 | 58,989 |
| Employee Benefits | 110,498 | 16,764 |
| Benefit Payments | 0 | 0 |
| Equipment Rental | 14,615 | 0 |
| Administrative | 44,000 | 18,100 |
| Total Operating Expenses | \$ 612,633 | \$ 223,339 |
| Operating Income (Loss) | \$ (139,376) | \$ 28,261 |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | \$ 403 | \$ 223 |
| Interest and Fiscal Charges | 0 | (34) |
| Gain (Loss) on Sale of Fixed Assets | 12,260 | 0 |
| Total Nonoperating Revenues (Expenses) | \$ 12,663 | \$ 189 |
| Changes In Net Assets | \$ (126,713) | \$ 28,450 |
| <u>TOTAL NET ASSETS - Beginning of Year</u> | 934,453 | 132,839 |
| <u>TOTAL NET ASSETS - End of Year</u> | \$ 807,740 | \$ 161,289 |

| SELF- INSURANCE | SAFETY | TOTALS |
|--------------------|----------|--------------|
| \$ 950,645 | \$ 5,300 | \$ 1,680,802 |
| 29,435 | 0 | 29,435 |
| \$ 980,080 | \$ 5,300 | \$ 1,710,237 |
| \$ 0 | \$ 1,302 | \$ 194,809 |
| 14,431 | 362 | 162,621 |
| 0 | 3,893 | 98,387 |
| 0 | 0 | 22,865 |
| 0 | 0 | 173,301 |
| 0 | 0 | 127,262 |
| 823,389 | 0 | 823,389 |
| 0 | 0 | 14,615 |
| 0 | 0 | 62,100 |
| \$ 837,820 | \$ 5,557 | \$ 1,679,349 |
| \$ 142,260 | \$ (257) | \$ 30,888 |
| \$ 19,148 | \$ 83 | \$ 19,857 |
| 0 | 0 | (34) |
| 0 | 0 | 12,260 |
| \$ 19,148 | \$ 83 | \$ 32,083 |
| \$ 161,408 | \$ (174) | \$ 62,971 |
| 540,036 | 6,434 | 1,613,762 |
| \$ 701,444 | \$ 6,260 | \$ 1,676,733 |

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005

| | CENTRAL STORES AND MUNICIPAL GARAGE | DATA PROCESSING |
|--|--|--------------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Interfund Services | | |
| Provided and Used | \$ 565,600 | \$ 251,600 |
| Cash Payments to Suppliers for Goods and Services | (250,792) | 110,549 |
| Cash Payments to Employees for Services | (133,712) | (44,015) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Operating Activities | \$ 181,096 | \$ 318,134 |
| | <hr/> | <hr/> |
| Cash Flows from Capital and Related | | |
| Financing Activities: | | |
| Acquisition and Construction of Capital Assets | \$ (169,717) | \$ (295,850) |
| Proceeds from Sale of Capital Assets | 12,260 | 0 |
| Principal Paid | 0 | (5,398) |
| Interest Paid | 0 | (34) |
| | <hr/> | <hr/> |
| Net Cash Used for Capital and Related Financing Activities | \$ (157,457) | \$ (301,282) |
| | <hr/> | <hr/> |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 403 | \$ 223 |
| Purchase of Investment Securities | (8) | 0 |
| Proceeds from Sale and Maturities of Investment Securities | 1 | 0 |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Investing Activities | \$ 396 | \$ 223 |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 24,035 | \$ 17,075 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | 12,032 | 234 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | \$ 36,067 | \$ 17,309 |
| | <hr/> <hr/> | <hr/> <hr/> |

| SELF- INSURANCE | SAFETY | TOTALS |
|--------------------|-----------------|---------------------|
| \$ 914,615 | \$ 5,300 | \$ 1,737,115 |
| (817,003) | (1,712) | (958,958) |
| 0 | (1,302) | (179,029) |
| <u>\$ 97,612</u> | <u>\$ 2,286</u> | <u>\$ 599,128</u> |
| \$ 0 | \$ 0 | \$ (465,567) |
| 0 | 0 | 12,260 |
| 0 | 0 | (5,398) |
| 0 | 0 | (34) |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (458,739)</u> |
| \$ 14,944 | \$ 83 | \$ 15,653 |
| (452,622) | 0 | (452,630) |
| 403,751 | 0 | 403,752 |
| <u>\$ (33,927)</u> | <u>\$ 83</u> | <u>\$ (33,225)</u> |
| \$ 63,685 | \$ 2,369 | \$ 107,164 |
| 29,188 | 7,384 | 48,838 |
| <u>\$ 92,873</u> | <u>\$ 9,753</u> | <u>\$ 156,002</u> |

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005

| | CENTRAL STORES AND MUNICIPAL GARAGE | DATA PROCESSING |
|---|--|--------------------|
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | \$ (139,376) | \$ 28,261 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | |
| Depreciation | \$ 114,312 | \$ 58,989 |
| (Increase) Decrease in Current Assets | | |
| Accounts Receivable | (3,179) | 0 |
| Due from Other Funds | 95,522 | 0 |
| Inventory | (10,179) | 158 |
| Prepaid Expense | 11,442 | 155,798 |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | (268) | 17,685 |
| Other Accrued Expenses | 11,175 | (795) |
| Due to Other Funds | 104,576 | 58,038 |
| Due to Other Governments | (2,929) | 0 |
| Total Adjustments | \$ 320,472 | \$ 289,873 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 181,096 | \$ 318,134 |

| SELF- INSURANCE | SAFETY | TOTALS |
|--------------------|----------|------------|
| \$ 142,260 | \$ (257) | \$ 30,888 |
| \$ 0 | \$ 0 | \$ 173,301 |
| (50) | 0 | (3,229) |
| (65,415) | 0 | 30,107 |
| 0 | 0 | (10,021) |
| 46,947 | 0 | 214,187 |
| (19,217) | 2,180 | 380 |
| 0 | 0 | 10,380 |
| (6,913) | 363 | 156,064 |
| 0 | 0 | (2,929) |
| \$ (44,648) | \$ 2,543 | \$ 568,240 |
| \$ 97,612 | \$ 2,286 | \$ 599,128 |

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------|--------------|--------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 36,067 | \$ 12,032 |
| Investments | 308 | 302 |
| Receivables | | |
| Accounts | 8,428 | 5,249 |
| Due from Other Funds | 45,969 | 141,491 |
| Inventory, At Cost | 47,271 | 37,092 |
| Prepaid Expense | 0 | 11,442 |
| | <hr/> | <hr/> |
| Total Current Assets | \$ 138,043 | \$ 207,608 |
| | <hr/> | <hr/> |
| <u>CAPITAL ASSETS</u> | | |
| Land and Land Improvements | \$ 93,971 | \$ 93,971 |
| Buildings | 411,945 | 411,945 |
| Machinery and Equipment | 1,686,985 | 1,571,213 |
| | <hr/> | <hr/> |
| | \$ 2,192,901 | \$ 2,077,129 |
| | <hr/> | <hr/> |
| Less Accumulated Depreciation | 1,319,715 | 1,259,348 |
| | <hr/> | <hr/> |
| Net Capital Assets | \$ 873,186 | \$ 817,781 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 1,011,229 | \$ 1,025,389 |
| | <hr/> | <hr/> |

| | 2005 | 2004 |
|----------------------------|----------------|----------------|
| <hr/> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 9,367 | \$ 9,635 |
| Other Accrued Expenses | 44,130 | 32,955 |
| Due to Other Governments | 0 | 2,929 |
| Due to Other Funds | 149,992 | 45,417 |
| | <hr/> | |
| TOTAL LIABILITIES | \$ 203,489 | \$ 90,936 |
| | <hr/> | |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets | \$ 873,186 | \$ 817,781 |
| Unrestricted (Deficit) | (65,446) | 116,672 |
| | <hr/> | |
| TOTAL NET ASSETS | \$ 807,740 | \$ 934,453 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---------------------------|--------------|--------------|
| <u>OPERATING REVENUES</u> | | |
| Charges for Services | | |
| Services and Materials | \$ 18,692 | \$ 14,178 |
| Equipment Rentals | 454,565 | 447,669 |
| | <hr/> | <hr/> |
| Total Operating Revenues | \$ 473,257 | \$ 461,847 |
| | <hr/> | <hr/> |
| <u>OPERATING EXPENSES</u> | | |
| Salaries and Wages | \$ 144,888 | \$ 122,373 |
| Contractual Services | 2,615 | 2,194 |
| Employee Safety | 900 | 900 |
| Operating Supplies | 83,297 | 88,308 |
| Audit | 3,000 | 3,000 |
| Bad Debts | 0 | 50 |
| Data Processing | 23,244 | 15,000 |
| Insurance | 18,237 | 15,556 |
| Property Taxes | 0 | 1,804 |
| Travel and Education | 418 | 236 |
| Employee Benefits | 107,990 | 85,560 |
| Heat, Light and Power | 22,304 | 19,645 |
| Equipment Maintenance | 19,892 | 26,105 |
| Equipment Rental | 1,090 | 972 |
| Depreciation | 114,312 | 114,448 |
| Outside Work | | |
| Salaries and Wages | 5,399 | 6,892 |
| Operating Supplies | 5,014 | 6,302 |
| Employee Benefits | 2,508 | 4,777 |
| Equipment Rental | 4,437 | 5,288 |
| Vehicle Lease | 9,088 | 8,519 |
| Administrative | 44,000 | 43,000 |
| | <hr/> | <hr/> |
| Total Operating Expenses | \$ 612,633 | \$ 570,929 |
| | <hr/> | <hr/> |
| Operating Income (Loss) | \$ (139,376) | \$ (109,082) |
| | <hr/> | <hr/> |

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|--------------|--------------|
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | \$ 403 | \$ 0 |
| Gain (Loss) on Sale of Fixed Assets | 12,260 | (2,750) |
| | <hr/> | <hr/> |
| Total Nonoperating Revenues (Expenses) | \$ 12,663 | \$ (2,750) |
| | <hr/> | <hr/> |
| Change in Net Assets | \$ (126,713) | \$ (111,832) |
| | <hr/> | <hr/> |
| <u>TOTAL NET ASSETS</u> - Beginning of Year | 934,453 | 1,046,285 |
| | <hr/> | <hr/> |
| <u>TOTAL NET ASSETS</u> - End of Year | \$ 807,740 | \$ 934,453 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|--|--------------|--------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Interfund Services | | |
| Provided and Used | \$ 565,600 | \$ 382,816 |
| Cash Payments to Suppliers for Goods and Services | (250,792) | (287,535) |
| Cash Payments to Employees for Services | (133,712) | (113,774) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Operating Activities | \$ 181,096 | \$ (18,493) |
| | <hr/> | <hr/> |
| Cash Flows from Capital and Related Financing Activities | | |
| Acquisition and Construction of Capital Assets | \$ (169,717) | \$ (134,375) |
| Proceeds from Sale of Capital Assets | 12,260 | 0 |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) for Capital and Related Financing Activities | \$ (157,457) | \$ (134,375) |
| | <hr/> | <hr/> |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 403 | \$ 983 |
| Purchase of Investment Securities | (8) | (2,976) |
| Proceeds from Sale and Maturity of Investment Securities | 1 | 49,156 |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) By Investing Activities | \$ 396 | \$ 47,163 |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 24,035 | \$ (105,705) |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS - Beginning of Year</u> | 12,032 | 117,737 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS - End of Year</u> | \$ 36,067 | \$ 12,032 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|--------------------------|---------------------------|
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | \$ (139,376) | \$ (109,082) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | |
| Depreciation | \$ 114,312 | \$ 114,448 |
| (Increase) Decrease in Current Assets | | |
| Accounts Receivable | (3,179) | 737 |
| Due from Other Funds | 95,522 | (79,768) |
| Inventory | (10,179) | (9,806) |
| Prepaid Expense | 11,442 | 7,480 |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | (268) | 3,746 |
| Accrued Expenses | 11,175 | 8,599 |
| Due to Other Funds | 104,576 | 42,224 |
| Due to Other Governments | (2,929) | 2,929 |
| Total Adjustments | <u>\$ 320,472</u> | <u>\$ 90,589</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ 181,096</u></u> | <u><u>\$ (18,493)</u></u> |

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 17,309 | \$ 234 |
| Inventory, at Cost | 405 | 563 |
| Prepaid Expense | 0 | 155,798 |
| | <hr/> | <hr/> |
| Total Current Assets | \$ 17,714 | \$ 156,595 |
| | <hr/> | <hr/> |
| <u>CAPITAL ASSETS</u> | | |
| Furniture, Fixtures and Equipment | \$ 766,182 | \$ 470,332 |
| Less Accumulated Depreciation | 447,501 | 388,512 |
| | <hr/> | <hr/> |
| Net Capital Assets | \$ 318,681 | \$ 81,820 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 336,395 | \$ 238,415 |
| | <hr/> | <hr/> |
| <u>LIABILITIES</u> | | |
| <u>CURRENT LIABILITIES</u> | | |
| Accounts Payable | \$ 18,482 | \$ 797 |
| Other Accrued Expenses | 2,739 | 3,534 |
| Due to Other Funds | 153,885 | 95,847 |
| Current Portion of Capital Lease | 0 | 5,398 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | \$ 175,106 | \$ 105,576 |
| | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | \$ 318,681 | \$ 76,422 |
| Unrestricted (Deficit) | (157,392) | 56,417 |
| | <hr/> | <hr/> |
| TOTAL NET ASSETS | \$ 161,289 | \$ 132,839 |
| | <hr/> | <hr/> |

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|---|------------|------------|
| <u>OPERATING REVENUES</u> | | |
| Interdepartmental Billings | \$ 251,600 | \$ 224,600 |
| <u>OPERATING EXPENSES</u> | | |
| Salaries and Wages | \$ 43,220 | \$ 43,589 |
| Employee Benefits | 16,764 | 18,701 |
| Dues and Publications | 163 | 193 |
| Audit | 800 | 800 |
| Insurance | 152 | 152 |
| Computer Programming | 75,791 | 20,413 |
| Telephone | 561 | 481 |
| Travel and Education | 212 | 1,484 |
| Office Supplies | 6,183 | 21,364 |
| Depreciation | 58,989 | 60,331 |
| Repairs and Maintenance | 2,404 | 9,521 |
| Administrative | 18,100 | 19,000 |
| Total Operating Expenses | \$ 223,339 | \$ 196,029 |
| Operating Income (Loss) | \$ 28,261 | \$ 28,571 |
| <u>NONOPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | \$ 223 | \$ 1,562 |
| Interest and Fiscal Charges | (34) | (1,131) |
| Total Nonoperating Revenues (Expenses) | \$ 189 | \$ 431 |
| Change In Net Assets | \$ 28,450 | \$ 29,002 |
| <u>TOTAL NET ASSETS - Beginning of Year</u> | 132,839 | 103,837 |
| <u>TOTAL NET ASSETS - End of Year</u> | \$ 161,289 | \$ 132,839 |

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|--------------|-------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Interfund Services | | |
| Provided and Used | \$ 251,600 | \$ 224,600 |
| Cash Payments to Suppliers for Goods and Services | 110,549 | (147,194) |
| Cash Payments to Employees for Services | (44,015) | (42,164) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Operating Activities | \$ 318,134 | \$ 35,242 |
| | <hr/> | <hr/> |
| Cash Flows from Capital and Related Financing Activities: | | |
| Acquisition and Construction of Capital Assets | \$ (295,850) | \$ (21,807) |
| Principal Paid on Capital Lease | (5,398) | (31,462) |
| Interest Paid on Capital Lease | (34) | (1,131) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) for Capital and Related Financing Activities | \$ (301,282) | \$ (54,400) |
| | <hr/> | <hr/> |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 223 | \$ 1,562 |
| Purchase of Investment Securities | 0 | (81,490) |
| Proceeds from Sale and Maturities of Investment Securities | 0 | 98,795 |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Investing Activities | \$ 223 | \$ 18,867 |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 17,075 | \$ (291) |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | 234 | 525 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | \$ 17,309 | \$ 234 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|-------------------|------------------|
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | \$ 28,261 | \$ 28,571 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | |
| Depreciation | \$ 58,989 | \$ 60,331 |
| (Increase) Decrease in Current Assets | | |
| Inventory | 158 | 224 |
| Prepaid Expense | 155,798 | (150,177) |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | 17,685 | 446 |
| Other Accrued Expenses | (795) | 1,425 |
| Due to Other Funds | 58,038 | 94,422 |
| Total Adjustments | \$ 289,873 | \$ 6,671 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 318,134</u> | <u>\$ 35,242</u> |

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 92,873 | \$ 29,188 |
| Investments | 518,790 | 469,919 |
| Receivables | | |
| Accounts | 50 | 0 |
| Accrued Interest | 11,911 | 7,707 |
| Due from Other Funds | 110,234 | 44,819 |
| Prepaid Expense | 0 | 46,947 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 733,858 | \$ 598,580 |
| | <hr/> | <hr/> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 32,414 | \$ 51,631 |
| Due to Other Funds | 0 | 6,913 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | \$ 32,414 | \$ 58,544 |
| | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | |
| Restricted for: | | |
| Retirees' Life Insurance | \$ 179,285 | \$ 175,560 |
| Employees' Life and Health Insurance | 522,159 | 364,476 |
| | <hr/> | <hr/> |
| TOTAL NET ASSETS | \$ 701,444 | \$ 540,036 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|
| <u>OPERATING REVENUES</u> | | |
| Charges for Services | | |
| Employer Contributions | \$ 950,645 | \$ 937,796 |
| Other Revenue | 29,435 | 4,428 |
| | <hr/> | <hr/> |
| Total Operating Revenues | \$ 980,080 | \$ 942,224 |
| | <hr/> | <hr/> |
| <u>OPERATING EXPENSES</u> | | |
| Contractual Services | | |
| Administration | \$ 14,431 | \$ 22,035 |
| Benefit Payments | | |
| Insurance Premiums | 531,860 | 483,558 |
| Medical Claims | 291,529 | 205,373 |
| | <hr/> | <hr/> |
| Total Operating Expenses | \$ 837,820 | \$ 710,966 |
| | <hr/> | <hr/> |
| Operating Income (Loss) | \$ 142,260 | \$ 231,258 |
| | <hr/> | <hr/> |
| <u>NONOPERATING REVENUES</u> | | |
| Interest Revenue | 19,148 | 9,642 |
| | <hr/> | <hr/> |
| Change in Net Assets | \$ 161,408 | \$ 240,900 |
| | <hr/> | <hr/> |
| <u>TOTAL NET ASSETS</u> - Beginning of Year | 540,036 | 299,136 |
| | <hr/> | <hr/> |
| <u>TOTAL NET ASSETS</u> - End of Year | \$ 701,444 | \$ 540,036 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|---|-------------------------|--------------------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Interfund Services | | |
| Provided and Used | \$ 914,615 | \$ 897,760 |
| Cash Payments to Suppliers for Goods and Services | (817,003) | (721,275) |
| | <u>\$ 97,612</u> | <u>\$ 176,485</u> |
| Cash Flows from Investing Activities: | | |
| Interest Received | \$ 14,944 | \$ 4,114 |
| Purchase of Investment Securities | (452,622) | (525,354) |
| Proceeds from Sale and Maturities of Investment Securities | 403,751 | 350,368 |
| | <u>\$ (33,927)</u> | <u>\$ (170,872)</u> |
| Net Cash Provided (Used) by Investing Activities | | |
| | <u>\$ 63,685</u> | <u>\$ 5,613</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | | |
| <u>CASH AND CASH EQUIVALENTS - Beginning of Year</u> | <u>29,188</u> | <u>23,575</u> |
| <u>CASH AND CASH EQUIVALENTS - End of Year</u> | <u><u>\$ 92,873</u></u> | <u><u>\$ 29,188</u></u> |
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | <u>\$ 142,260</u> | <u>\$ 231,258</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | |
| (Increase) Decrease in Current Assets | | |
| Accounts Receivable | \$ (50) | \$ 356 |
| Due from Other Funds | (65,415) | (44,819) |
| Prepaid Expense | 46,947 | (3,687) |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | (19,217) | 28,262 |
| Due to Other Funds | (6,913) | (34,885) |
| | <u>\$ (44,648)</u> | <u>\$ (54,773)</u> |
| Total Adjustments | | |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ 97,612</u></u> | <u><u>\$ 176,485</u></u> |

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | 2005 | 2004 |
|--------------------|----------|----------|
| <u>ASSETS</u> | | |
| Cash | \$ 9,753 | \$ 7,384 |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 2,180 | \$ 0 |
| Due to Other Funds | 1,313 | 950 |
| TOTAL LIABILITIES | \$ 3,493 | \$ 950 |
| <u>NET ASSETS</u> | | |
| Unrestricted | \$ 6,260 | \$ 6,434 |

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|-------------|-------------|
| <u>OPERATING REVENUES</u> | | |
| Interdepartmental Billings | \$ 5,300 | \$ 5,300 |
| <u>OPERATING EXPENSES</u> | | |
| Personal Services | \$ 1,302 | \$ 1,911 |
| Operating Supplies | 3,893 | 295 |
| Dues and Publications | 0 | 1,390 |
| Audit | 350 | 350 |
| Travel and Education | 12 | 223 |
| Total Operating Expenses | \$ 5,557 | \$ 4,169 |
| Operating Income (Loss) | \$ (257) | \$ 1,131 |
| <u>NONOPERATING REVENUE (EXPENSES)</u> | | |
| Interest Revenue | 83 | 29 |
| Change in Net Assets | \$ (174) | \$ 1,160 |
| <u>TOTAL NET ASSETS</u> - Beginning of Year | 6,434 | 5,274 |
| <u>TOTAL NET ASSETS</u> - End of Year | \$ 6,260 | \$ 6,434 |

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|---|-------------|-------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities: | | |
| Cash Received from Interfund Services | | |
| Provided and Used | \$ 5,300 | \$ 5,300 |
| Cash Payments to Suppliers for Goods and Services | (1,712) | (1,769) |
| Cash Payments to Employees for Services | (1,302) | (1,911) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Operating Activities | \$ 2,286 | \$ 1,620 |
| Cash Flows from Investing Activities | | |
| Interest Received | 83 | 29 |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 2,369 | \$ 1,649 |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | 7,384 | 5,735 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | \$ 9,753 | \$ 7,384 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income (Loss) | \$ (257) | \$ 1,131 |
| Adjustments to Reconcile Operating Income | | |
| to Net Cash Provided by Operating Activities | | |
| Increase (Decrease) in Current Liabilities | | |
| Accounts Payable | \$ 2,180 | \$ (215) |
| Due to Other Funds | 363 | 704 |
| | <hr/> | <hr/> |
| Total Adjustments | \$ 2,543 | \$ 489 |
| | <hr/> | <hr/> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 2,286 | \$ 1,620 |
| | <hr/> <hr/> | <hr/> <hr/> |

PENSION TRUST FUND

The Policemen and Firemen Retirement System accounts for assets of the government's public safety employees pension plan which is required to be held in trust for the members and beneficiaries.

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|--------------|--------------|
| <u>ASSETS</u> | | |
| Cash | \$ 39,462 | \$ 8,571 |
| Investments | | |
| Corporate Bonds and Notes | 1,204,062 | 1,030,471 |
| U.S. Government Securities | 247,790 | 159,089 |
| Common Stocks | 3,354,671 | 3,283,240 |
| Preferred Stocks | 237,837 | 292,770 |
| International Bonds | 157,094 | 163,681 |
| Mutual Funds | 208,498 | 290,367 |
| Receivables | | |
| Accrued Interest | 10,913 | 8,914 |
| Prepaid Deductions | 0 | 4,025 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 5,460,327 | \$ 5,241,128 |
| | <hr/> | <hr/> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 9,100 | \$ 0 |
| Due to Other Funds | 72,490 | 122,223 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 81,590 | \$ 122,223 |
| | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | |
| Held in Trust for Employees' Pension Benefits | \$ 5,378,737 | \$ 5,118,905 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|----------------------------|----------------------------|
| <u>ADDITIONS</u> | | |
| Contributions | | |
| Employer | \$ 446,560 | \$ 334,368 |
| Employee | 45,652 | 42,431 |
| Total Contributions | <u>\$ 492,212</u> | <u>\$ 376,799</u> |
| Investment Income | | |
| Interest and Dividend Income | \$ 113,510 | \$ 107,672 |
| Net Appreciation (Depreciation) in the Fair Value of Plan Investments | 136,672 | 614,306 |
| Investment Expenses | (57,591) | (52,681) |
| Net Investment Income (Loss) | <u>\$ 192,591</u> | <u>\$ 669,297</u> |
| Total Additions (Deletions) | <u>\$ 684,803</u> | <u>\$ 1,046,096</u> |
| <u>DEDUCTIONS</u> | | |
| Benefit Payments | | |
| Retirement | \$ 404,606 | \$ 378,258 |
| Administrative Expenses | | |
| Contracted Services | | |
| Actuarial Fees | 18,990 | 9,075 |
| Auditing | 1,375 | 1,300 |
| Total Deductions | <u>\$ 424,971</u> | <u>\$ 388,633</u> |
| Net Increase (Decrease) in Plan Assets | \$ 259,832 | \$ 657,463 |
| <u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u> | | |
| Beginning of Year | <u>5,118,905</u> | <u>4,461,442</u> |
| End of Year | <u><u>\$ 5,378,737</u></u> | <u><u>\$ 5,118,905</u></u> |

AGENCY FUNDS

CURRENT TAX COLLECTION FUND

The Current Tax Collection Fund functions as the property tax collection agent for the area schools and county.

PAYROLL FUND

The Payroll Fund is used to account for the payroll paid to all employees. This fund has its own depository and has no revenue or expenditure accounts; it is composed of only balance sheet accounts.

CITY OF CADILLAC, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

| | BALANCE 7/1/2004 | ADDITIONS | DEDUCTIONS | BALANCE 6/30/2005 |
|------------------------------------|---------------------|---------------|---------------|----------------------|
| <u>CURRENT TAX COLLECTION FUND</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 59,367 | \$ 8,366,588 | \$ 8,403,778 | \$ 22,177 |
| Due from Other Governments | 6,116 | 0 | 0 | 6,116 |
| Total Assets | \$ 65,483 | \$ 8,366,588 | \$ 8,403,778 | \$ 28,293 |
| <u>LIABILITIES</u> | | | | |
| Due to Other Governments | \$ 50,305 | \$ 8,338,912 | \$ 8,380,186 | \$ 9,031 |
| Due to Other Funds | 15,178 | 19,262 | 15,178 | 19,262 |
| Total Liabilities | \$ 65,483 | \$ 8,358,174 | \$ 8,395,364 | \$ 28,293 |
| <u>PAYROLL FUND</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 2,521 | \$ 4,763,282 | \$ 4,765,803 | \$ 0 |
| Due from Other Funds | 0 | 4,716,751 | 4,680,085 | 36,666 |
| Prepaid Items | 0 | 874,867 | 874,794 | 73 |
| Total Assets | \$ 2,521 | \$ 10,354,900 | \$ 10,320,682 | \$ 36,739 |
| <u>LIABILITIES</u> | | | | |
| Bank Overdraft | \$ 0 | \$ 33,558 | \$ 0 | \$ 33,558 |
| Due to Other Funds | 2,521 | 2,416,710 | 2,416,050 | 3,181 |
| Payroll Withholdings | 0 | 1,598,248 | 1,598,248 | 0 |
| Total Liabilities | \$ 2,521 | \$ 4,048,516 | \$ 4,014,298 | \$ 36,739 |

CITY OF CADILLAC, MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2005

| | BALANCE 7/1/2004 | ADDITIONS | DEDUCTIONS | BALANCE 6/30/2005 |
|----------------------------------|---------------------|---------------|---------------|----------------------|
| <u>TOTALS - ALL AGENCY FUNDS</u> | | | | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 61,888 | \$ 13,129,870 | \$ 13,169,581 | \$ 22,177 |
| Due from Other Funds | 0 | 4,716,751 | 4,680,085 | 36,666 |
| Due from Other Governments | 6,116 | 0 | 0 | 6,116 |
| Prepaid Items | 0 | 874,867 | 874,794 | 73 |
| | | | | |
| Total Assets | \$ 68,004 | \$ 18,721,488 | \$ 18,724,460 | \$ 65,032 |
| <u>LIABILITIES</u> | | | | |
| Bank Overdraft | \$ 0 | \$ 33,558 | \$ 0 | \$ 33,558 |
| Due to Other Governments | 50,305 | 8,338,912 | 8,380,186 | 9,031 |
| Due to Other Funds | 17,699 | 2,435,972 | 2,431,228 | 22,443 |
| Payroll Withholdings | 0 | 1,598,248 | 1,598,248 | 0 |
| | | | | |
| Total Liabilities | \$ 68,004 | \$ 12,406,690 | \$ 12,409,662 | \$ 65,032 |

COMPONENT UNITS

MAJOR COMPONENT UNIT

L.D.F.A. Operating Fund - This fund was established to operate the groundwater cleanup facility located in the industrial park.

L.D.F.A. Debt Retirement Fund - This fund accounts for the accumulation of resources and payment of bond principal and interest.

L.D.F.A. Utilities Fund - This fund was established to provide water utility services to the cogeneration plant located within the boundaries of the L.D.F.A.

NONMAJOR COMPONENT UNITS

Downtown Development Authority- This fund is designed to assist in the economic growth of the central business district from parking plans to mall development. A 2 mill maximum tax levy can be levied by the board when needed.

D.D.A. Capital Projects Fund - This fund was established to provide a source of revenue for the D.D.A. to undertake various capital and public infrastructure improvements within the D.D.A. development district.

Economic Development Corporation - This fund was established to act as an economic development corporation for the City of Cadillac in accordance with State law.

Brownfield Redevelopment Authority - This fund identifies contaminated sites and remediates them, and provides financing to do so. This fund was established pursuant to Michigan Public Act 381 of 1996.

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2005

| | | MAJOR | TOTAL NONMAJOR COMPONENT | |
|-------------------------------|--|--------------|--------------------------------|--------------|
| | | L.D.F.A. | UNITS | TOTALS |
| | | | | |
| <u>ASSETS</u> | | | | |
| <u>CURRENT ASSETS</u> | | | | |
| Cash | | \$ 661,343 | \$ 54,149 | \$ 715,492 |
| Investments | | 1,648,756 | 90,291 | 1,739,047 |
| Receivables | | | | |
| Taxes | | 0 | 119 | 119 |
| Accounts | | 2,902 | 140 | 3,042 |
| Accrued Interest | | 28,577 | 1,472 | 30,049 |
| Due from Other Governments | | 17,641 | 3,851 | 21,492 |
| Due from Component Units | | 0 | 4,964 | 4,964 |
| TOTAL CURRENT ASSETS | | \$ 2,359,219 | \$ 154,986 | \$ 2,514,205 |
| <u>CAPITAL ASSETS</u> | | | | |
| Investment in System | | \$ 214,812 | \$ 0 | \$ 214,812 |
| Less Accumulated Depreciation | | 45,826 | 0 | 45,826 |
| Net Capital Assets | | \$ 168,986 | \$ 0 | \$ 168,986 |
| TOTAL ASSETS | | \$ 2,528,205 | \$ 154,986 | \$ 2,683,191 |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | | \$ 21,622 | \$ 2,203 | \$ 23,825 |
| Accrued Expenditures | | 636 | 615 | 1,251 |
| Due to Other Governments | | 4,993 | 40,339 | 45,332 |
| Due to Component Units | | 0 | 4,964 | 4,964 |
| Deferred Revenue | | 30,161 | 119 | 30,280 |
| Total Liabilities | | \$ 57,412 | \$ 48,240 | \$ 105,652 |

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2005

| | MAJOR L.D.F.A. | TOTAL NONMAJOR COMPONENT UNITS | TOTALS |
|----------------------------------|-------------------------|---|-------------------------|
| <u>EQUITY</u> | | | |
| Net Assets | | | |
| Invested in Capital Assets | \$ 168,986 | \$ 0 | \$ 168,986 |
| Unrestricted | 146,252 | 0 | 146,252 |
| Fund Balance | | | |
| Reserved for: | | | |
| Debt Service | 584,924 | 0 | 584,924 |
| Ground Water Clean-up | 1,570,631 | 0 | 1,570,631 |
| Unreserved | 0 | 106,746 | 106,746 |
| Total Net Assets/Fund Balance | <u>\$ 2,470,793</u> | <u>\$ 106,746</u> | <u>\$ 2,577,539</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 2,528,205</u> | <u>\$ 154,986</u> | <u>\$ 2,683,191</u> |

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | MAJOR L.D.F.A. | TOTAL NONMAJOR COMPONENT UNITS | TOTALS |
|---|-------------------|---|--------------|
| <u>REVENUES</u> | | | |
| Taxes | \$ 928,780 | \$ 144,029 | \$ 1,072,809 |
| Interest and Rents | 71,047 | 3,814 | 74,861 |
| Other Revenues | 0 | 15,756 | 15,756 |
| Total Revenues | \$ 999,827 | \$ 163,599 | \$ 1,163,426 |
| <u>EXPENDITURES</u> | | | |
| Economic Development | \$ 0 | \$ 75,735 | \$ 75,735 |
| Public Works | 325,553 | 0 | 325,553 |
| Intergovernmental Expenditures | 0 | 111,182 | 111,182 |
| Debt Service | | | |
| Principal Retirement | 1,210,000 | 0 | 1,210,000 |
| Interest and Fiscal Charges | 42,820 | 0 | 42,820 |
| Total Expenditures | \$ 1,578,373 | \$ 186,917 | \$ 1,765,290 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (578,546) | \$ (23,318) | \$ (601,864) |
| <u>FUND BALANCES</u> - Beginning of Year | 2,734,101 | 130,064 | 2,864,165 |
| <u>FUND BALANCES</u> - End of Year | \$ 2,155,555 | \$ 106,746 | \$ 2,262,301 |

CITY OF CADILLAC, MICHIGAN

NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2005

| | DOWNTOWN DEVELOPMENT AUTHORITY | ECONOMIC DEVELOPMENT CORPORATION |
|-------------------------------------|--------------------------------------|--|
| <u>ASSETS</u> | | |
| Cash | \$ 47,253 | \$ 1,167 |
| Investments | 0 | 0 |
| Receivables | | |
| Taxes | 119 | 0 |
| Accounts | 140 | 0 |
| Accrued Interest | 0 | 0 |
| Due from Other Governments | 1,951 | 0 |
| Due from Component Units | 4,964 | 0 |
| | | |
| TOTAL ASSETS | \$ 54,427 | \$ 1,167 |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 2,203 | \$ 0 |
| Accrued Expenditures | 615 | 0 |
| Due to Other Governments | 40,339 | 0 |
| Due to Component Units | 4,964 | 0 |
| Deferred Revenue | 119 | 0 |
| | | |
| Total Liabilities | \$ 48,240 | \$ 0 |
| <u>FUND BALANCE</u> | | |
| Fund Balance | | |
| Unreserved | 6,187 | 1,167 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 54,427 | \$ 1,167 |

| BROWNFIELD REDEVELOPMENT AUTHORITY | | TOTALS |
|--|--------|------------|
| <hr/> | | <hr/> |
| \$ | 5,729 | \$ 54,149 |
| | 90,291 | 90,291 |
| | 0 | 119 |
| | 0 | 140 |
| | 1,472 | 1,472 |
| | 1,900 | 3,851 |
| | 0 | 4,964 |
| <hr/> | | <hr/> |
| \$ | 99,392 | \$ 154,986 |
| <hr/> | | <hr/> |
| | | |
| \$ | 0 | \$ 2,203 |
| | 0 | 615 |
| | 0 | 40,339 |
| | 0 | 4,964 |
| | 0 | 119 |
| <hr/> | | <hr/> |
| \$ | 0 | \$ 48,240 |
| | | |
| | 99,392 | 106,746 |
| <hr/> | | <hr/> |
| \$ | 99,392 | \$ 154,986 |
| <hr/> | | <hr/> |

CITY OF CADILLAC, MICHIGAN

NONMAJOR COMPONENT UNITS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | <u>DOWNTOWN DEVELOPMENT AUTHORITY</u> | <u>ECONOMIC DEVELOPMENT CORPORATION</u> |
|---|---|---|
| <u>REVENUES</u> | | |
| Taxes | \$ 142,588 | \$ 0 |
| Interest and Rents | 420 | 0 |
| Other Revenues | 15,756 | 0 |
| | | |
| Total Revenues | \$ 158,764 | \$ 0 |
| | | |
| <u>EXPENDITURES</u> | | |
| Economic Development | \$ 73,935 | \$ 0 |
| Intergovernmental Expenditures | 111,182 | 0 |
| | | |
| Total Expenditures | \$ 185,117 | \$ 0 |
| | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (26,353) | \$ 0 |
| | | |
| <u>FUND BALANCES</u> - Beginning of Year | 32,540 | 1,167 |
| | | |
| <u>FUND BALANCES</u> - End of Year | \$ 6,187 | \$ 1,167 |

| BROWNFIELD REDEVELOPMENT AUTHORITY | | TOTALS |
|--|--------|-------------|
| \$ | 1,441 | \$ 144,029 |
| | 3,394 | 3,814 |
| | 0 | 15,756 |
| \$ | 4,835 | \$ 163,599 |
| \$ | 1,800 | \$ 75,735 |
| | 0 | 111,182 |
| \$ | 1,800 | \$ 186,917 |
| \$ | 3,035 | \$ (23,318) |
| | 96,357 | 130,064 |
| \$ | 99,392 | \$ 106,746 |

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2005

| | OPERATING FUND | CAPITAL PROJECTS FUND | TOTAL |
|---------------------------------------|-------------------|-----------------------------|------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 7,900 | \$ 39,353 | \$ 47,253 |
| Receivables | | | |
| Taxes | 119 | 0 | 119 |
| Accounts | 140 | 0 | 140 |
| Due from Other Governments | 0 | 1,951 | 1,951 |
| Due from Component Units | 4,964 | 0 | 4,964 |
| | | | |
| TOTAL ASSETS | <u>\$ 13,123</u> | <u>\$ 41,304</u> | <u>\$ 54,427</u> |
| | | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | | |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 2,203 | \$ 0 | \$ 2,203 |
| Accrued Expenditures | 615 | 0 | 615 |
| Due to Other Governments | 3,999 | 36,340 | 40,339 |
| Due to Component Units | 0 | 4,964 | 4,964 |
| Deferred Revenue | 119 | 0 | 119 |
| | | | |
| Total Liabilities | <u>\$ 6,936</u> | <u>\$ 41,304</u> | <u>\$ 48,240</u> |
| | | | |
| <u>FUND BALANCE</u> | | | |
| Unreserved | <u>\$ 6,187</u> | <u>\$ 0</u> | <u>\$ 6,187</u> |
| | | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 13,123</u> | <u>\$ 41,304</u> | <u>\$ 54,427</u> |

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | OPERATING FUND | CAPITAL PROJECTS FUND | TOTAL |
|--|-------------------|-----------------------------|-------------|
| <u>REVENUES</u> | | | |
| Taxes | \$ 31,032 | \$ 111,556 | \$ 142,588 |
| Interest and Rents | 155 | 265 | 420 |
| Other Revenues | 13,805 | 1,951 | 15,756 |
| | | | |
| Total Revenues | \$ 44,992 | \$ 113,772 | \$ 158,764 |
| <u>EXPENDITURES</u> | | | |
| Economic Development | \$ 40,597 | \$ 33,338 | \$ 73,935 |
| Intergovernmental Expenditures | 0 | 111,182 | 111,182 |
| | | | |
| Total Expenditures | \$ 40,597 | \$ 144,520 | \$ 185,117 |
| | | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 4,395 | \$ (30,748) | \$ (26,353) |
| <u>FUND BALANCES</u> - Beginning of Year | 1,792 | 30,748 | 32,540 |
| | | | |
| <u>FUND BALANCES</u> - End of Year | \$ 6,187 | \$ 0 | \$ 6,187 |

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|------------------|-----------------|
| <u>ASSETS</u> | | |
| Cash | \$ 7,900 | \$ 3,043 |
| Receivables | | |
| Taxes | 119 | 289 |
| Accounts | 140 | 0 |
| Due from Other Governments | 0 | 52 |
| Due from Component Units | 4,964 | 0 |
| Prepaid Expenditures | 0 | 50 |
| | | |
| TOTAL ASSETS | <u>\$ 13,123</u> | <u>\$ 3,434</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 2,203 | \$ 900 |
| Accrued Expenditures | 615 | 337 |
| Due to Other Governments | 3,999 | 195 |
| Deferred Revenue | 119 | 210 |
| | | |
| Total Liabilities | <u>\$ 6,936</u> | <u>\$ 1,642</u> |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Prepaid Expenditures | \$ 0 | \$ 50 |
| Unreserved | 6,187 | 1,742 |
| | | |
| Total Fund Balance | <u>\$ 6,187</u> | <u>\$ 1,792</u> |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 13,123</u> | <u>\$ 3,434</u> |

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | 2005 | | 2004 |
|--|------------|-----------|------------|
| | BUDGET | ACTUAL | ACTUAL |
| <u>REVENUES</u> | | | |
| Taxes | | | |
| Property Tax | \$ 31,100 | \$ 31,032 | \$ 30,301 |
| Penalties and Interest | 0 | 0 | 90 |
| Total Taxes | \$ 31,100 | \$ 31,032 | \$ 30,391 |
| Interest and Rents | | | |
| Interest | \$ 200 | \$ 155 | \$ 109 |
| Other Revenues | | | |
| DEQ Management Fee | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Contributions from Private Sources | 9,000 | 8,805 | 4,015 |
| Total Other Revenues | \$ 14,000 | \$ 13,805 | \$ 9,015 |
| Total Revenues | \$ 45,300 | \$ 44,992 | \$ 39,515 |
| <u>EXPENDITURES</u> | | | |
| Economic Development | | | |
| Personal Services | \$ 23,200 | \$ 22,508 | \$ 21,380 |
| Employee Benefits | 6,100 | 2,523 | 5,893 |
| Audit | 800 | 700 | 700 |
| Contractual Services | 7,000 | 8,754 | 5,769 |
| Postage | 500 | 376 | 663 |
| Printing and Publishing | 1,600 | 690 | 1,214 |
| Office Supplies | 1,000 | 862 | 378 |
| Travel and Education | 300 | 35 | 135 |
| Downtown Marketing | 7,000 | 4,149 | 11,441 |
| Miscellaneous | 0 | 0 | 1,390 |
| Capital Outlay | 1,000 | 0 | 0 |
| Total Expenditures | \$ 48,500 | \$ 40,597 | \$ 48,963 |
| Excess (Deficiency) of Revenues | | | |
| Over Expenditures | \$ (3,200) | \$ 4,395 | \$ (9,448) |
| <u>FUND BALANCES</u> - Beginning of Year | 3,240 | 1,792 | 11,240 |
| <u>FUND BALANCES</u> - End of Year | \$ 40 | \$ 6,187 | \$ 1,792 |

CITY OF CADILLAC, MICHIGAN

D.D.A. CAPITAL PROJECTS FUND

A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

| | 2005 | 2004 |
|---|------------------|------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 39,353 | \$ 0 |
| Investments | 0 | 43,085 |
| Receivables | | |
| Accrued Interest | 0 | 983 |
| Due from Other Governments | 1,951 | 2,929 |
| Prepaid Expenditures | 0 | 825 |
| | | |
| TOTAL ASSETS | <u>\$ 41,304</u> | <u>\$ 47,822</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 0 | \$ 1,140 |
| Due to Other Governments | 36,340 | 15,934 |
| Due to Component Units | 4,964 | 0 |
| | | |
| Total Liabilities | <u>\$ 41,304</u> | <u>\$ 17,074</u> |
| <u>FUND BALANCE</u> | | |
| Reserved for Prepaid Expenditures | \$ 0 | \$ 825 |
| Unreserved | 0 | 29,923 |
| | | |
| Total Fund Balance | <u>\$ 0</u> | <u>\$ 30,748</u> |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 41,304</u> | <u>\$ 47,822</u> |

CITY OF CADILLAC, MICHIGAN
D.D.A. CAPITAL PROJECTS FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|--------------------|--------------------|--------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes | | | |
| Property Taxes | \$ 112,000 | \$ 111,556 | \$ 100,707 |
| Interest and Rents | | | |
| Interest | 2,300 | 265 | 1,024 |
| Other Revenue | | | |
| Contributions and Donations from Private Sources | 0 | 1,951 | 500 |
| Total Revenues | <u>\$ 114,300</u> | <u>\$ 113,772</u> | <u>\$ 102,231</u> |
| <u>EXPENDITURES</u> | | | |
| Economic Development | | | |
| Construction | \$ 38,000 | \$ 9,945 | \$ 0 |
| Audit | 400 | 0 | 0 |
| Contracted Services | 24,000 | 23,324 | 850 |
| Office Supplies | 0 | 69 | 154 |
| Intergovernmental Expenditures | | | |
| Public Works | 126,200 | 111,182 | 133,515 |
| Recreation and Cultural | 0 | 0 | 12,357 |
| Total Expenditures | <u>\$ 188,600</u> | <u>\$ 144,520</u> | <u>\$ 146,876</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (74,300)</u> | <u>\$ (30,748)</u> | <u>\$ (44,645)</u> |
| <u>OTHER FINANCING SOURCES</u> | | | |
| Loan Proceeds | <u>90,000</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | <u>\$ 15,700</u> | <u>\$ (30,748)</u> | <u>\$ (44,645)</u> |
| <u>FUND BALANCE</u> - Beginning of Year | <u>40,093</u> | <u>30,748</u> | <u>75,393</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 55,793</u> | <u>\$ 0</u> | <u>\$ 30,748</u> |

CITY OF CADILLAC, MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

| | 2005 | 2004 |
|-------------------------------------|----------|----------|
| | <hr/> | |
| <u>ASSETS</u> | | |
| Cash | \$ 1,167 | \$ 1,167 |
| | <hr/> | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | \$ 0 | \$ 0 |
| <u>FUND BALANCE</u> | | |
| Unreserved | 1,167 | 1,167 |
| | <hr/> | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 1,167 | \$ 1,167 |
| | <hr/> | |

CITY OF CADILLAC, MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|--|------------------------|------------------------|
| <u>REVENUES</u> | \$ 0 | \$ 0 |
| <u>EXPENDITURES</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 0 | \$ 0 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>1,167</u> | <u>1,167</u> |
| <u>FUND BALANCE</u> - End of Year | <u><u>\$ 1,167</u></u> | <u><u>\$ 1,167</u></u> |

CITY OF CADILLAC, MICHIGAN

L.D.F.A. FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2005

| | OPERATING | DEBT RETIREMENT | UTILITIES | |
|-------------------------------|--------------|--------------------|-------------|--------------|
| | FUND | FUND | FUND | TOTAL |
| <u>ASSETS</u> | | | | |
| <u>CURRENT ASSETS</u> | | | | |
| Cash | \$ 265,592 | \$ 367,681 | \$ 28,070 | \$ 661,343 |
| Investments | 1,340,886 | 197,039 | 110,831 | 1,648,756 |
| Receivables | | | | |
| Accounts | 0 | 0 | 2,902 | 2,902 |
| Accrued Interest | 21,505 | 4,598 | 2,474 | 28,577 |
| Due from Other Governments | 0 | 15,606 | 2,035 | 17,641 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Current Assets | \$ 1,627,983 | \$ 584,924 | \$ 146,312 | \$ 2,359,219 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <u>CAPITAL ASSETS</u> | | | | |
| Investment in System | \$ 0 | \$ 0 | \$ 214,812 | \$ 214,812 |
| Less Accumulated Depreciation | 0 | 0 | 45,826 | 45,826 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Capital Assets | \$ 0 | \$ 0 | \$ 168,986 | \$ 168,986 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 21,622 | \$ 0 | \$ 0 | \$ 21,622 |
| Accrued Expenditures | 576 | 0 | 60 | 636 |
| Due to Other Governments | 4,993 | 0 | 0 | 4,993 |
| Deferred Revenue | 30,161 | 0 | 0 | 30,161 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 57,352 | \$ 0 | \$ 60 | \$ 57,412 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <u>EQUITY</u> | | | | |
| Net Assets | | | | |
| Invested in Capital Assets | \$ 0 | \$ 0 | \$ 168,986 | \$ 168,986 |
| Unrestricted | 0 | 0 | 146,252 | 146,252 |
| Fund Balance | | | | |
| Reserved for: | | | | |
| Debt Service | 0 | 584,924 | 0 | 584,924 |
| Ground Water Clean-up | 1,570,631 | 0 | 0 | 1,570,631 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Net Assets/Fund Balance | \$ 1,570,631 | \$ 584,924 | \$ 315,238 | \$ 2,470,793 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES AND EQUITY | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

| | OPERATING FUND | DEBT RETIREMENT FUND | TOTAL |
|--|-------------------|----------------------------|--------------|
| <u>REVENUES</u> | | | |
| Taxes | \$ 151,382 | \$ 777,398 | \$ 928,780 |
| Interest and Rents | 52,786 | 18,261 | 71,047 |
| Total Revenues | \$ 204,168 | \$ 795,659 | \$ 999,827 |
| <u>EXPENDITURES</u> | | | |
| Public Works | \$ 325,553 | \$ 0 | \$ 325,553 |
| Debt Service | | | |
| Principal Retirement | 0 | 1,210,000 | 1,210,000 |
| Interest and Fiscal Charges | 0 | 42,820 | 42,820 |
| Total Expenditures | \$ 325,553 | \$ 1,252,820 | \$ 1,578,373 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (121,385) | \$ (457,161) | \$ (578,546) |
| <u>FUND BALANCE</u> - Beginning of Year | 1,692,016 | 1,042,085 | 2,734,101 |
| <u>FUND BALANCE</u> - End of Year | \$ 1,570,631 | \$ 584,924 | \$ 2,155,555 |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. OPERATING FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 265,592 | \$ 616 |
| Investments | 1,340,886 | 1,862,523 |
| Receivables | | |
| Accrued Interest | 21,505 | 24,455 |
| Due from Other Governments | 0 | 2,374 |
| | | |
| TOTAL ASSETS | <u>\$ 1,627,983</u> | <u>\$ 1,889,968</u> |
| | | |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts Payable | \$ 21,622 | \$ 13,732 |
| Accrued Expenditures | 576 | 380 |
| Due to Other Governments | 4,993 | 16,887 |
| Deferred Revenue | 30,161 | 166,953 |
| | | |
| Total Liabilities | \$ 57,352 | \$ 197,952 |
| | | |
| <u>FUND BALANCE</u> | | |
| Reserved for Groundwater Cleanup | 1,570,631 | 1,692,016 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 1,627,983</u> | <u>\$ 1,889,968</u> |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. OPERATING FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|---|---------------------|---------------------|---------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes | | | |
| Groundwater Cleanup Special Assessment | \$ 175,000 | \$ 151,375 | \$ 217,517 |
| Penalties and Interest | 400 | 7 | 357 |
| Total Taxes | <u>\$ 175,400</u> | <u>\$ 151,382</u> | <u>\$ 217,874</u> |
| Interest and Rents | | | |
| Interest | <u>58,600</u> | <u>52,786</u> | <u>38,749</u> |
| Total Revenues | <u>\$ 234,000</u> | <u>\$ 204,168</u> | <u>\$ 256,623</u> |
| <u>EXPENDITURES</u> | | | |
| Public Works | | | |
| Personal Services | \$ 12,500 | \$ 11,967 | \$ 13,006 |
| Employee Benefits | 6,200 | 5,920 | 8,004 |
| Audit | 400 | 400 | 400 |
| Legal Fees | 10,000 | 5,810 | 14,834 |
| Supplies | 10,000 | 9,864 | 12,289 |
| Contractual Services | 55,200 | 73,991 | 40,883 |
| Heat, Light and Power | 105,500 | 101,434 | 100,880 |
| Chemicals | 3,000 | 0 | 0 |
| Equipment Maintenance | 18,700 | 16,880 | 561 |
| Interest on Tax Repayments to County | 0 | 99,287 | 43,909 |
| Total Expenditures | <u>\$ 221,500</u> | <u>\$ 325,553</u> | <u>\$ 234,766</u> |
| Excess (Deficiency) of Revenues | | | |
| Over Expenditures | \$ 12,500 | \$ (121,385) | \$ 21,857 |
| <u>FUND BALANCE - Beginning of Year</u> | <u>1,529,760</u> | <u>1,692,016</u> | <u>1,670,159</u> |
| <u>FUND BALANCE - End of Year</u> | <u>\$ 1,542,260</u> | <u>\$ 1,570,631</u> | <u>\$ 1,692,016</u> |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. DEBT RETIREMENT FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 367,681 | \$ 12,425 |
| Investments | 197,039 | 1,021,284 |
| Receivables | | |
| Accrued Interest | 4,598 | 11,606 |
| Due from Other Governments | 15,606 | 0 |
| | | |
| TOTAL ASSETS | <u>\$ 584,924</u> | <u>\$ 1,045,315</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Component Units | \$ 0 | \$ 3,230 |
| <u>FUND BALANCE</u> | | |
| Reserved for Debt Service | 584,924 | 1,042,085 |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 584,924</u> | <u>\$ 1,045,315</u> |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. DEBT RETIREMENT FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|---------------------|---------------------|---------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes | | | |
| Property Tax | \$ 780,000 | \$ 777,398 | \$ 782,143 |
| Interest and Rents | | | |
| Interest | 40,000 | 18,261 | 22,205 |
| Total Revenues | <u>\$ 820,000</u> | <u>\$ 795,659</u> | <u>\$ 804,348</u> |
| <u>EXPENDITURES</u> | | | |
| Debt Service | | | |
| Principal Retirement | \$ 1,210,000 | \$ 1,210,000 | \$ 690,000 |
| Interest and Fiscal Charges | 57,300 | 41,812 | 88,468 |
| Office Supplies | 0 | 8 | 0 |
| Audit | 900 | 1,000 | 1,000 |
| Total Expenditures | <u>\$ 1,268,200</u> | <u>\$ 1,252,820</u> | <u>\$ 779,468</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (448,200) | \$ (457,161) | \$ 24,880 |
| <u>FUND BALANCE</u> - Beginning of Year | <u>1,060,705</u> | <u>1,042,085</u> | <u>1,017,205</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 612,505</u> | <u>\$ 584,924</u> | <u>\$ 1,042,085</u> |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-----------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 28,070 | \$ 9,543 |
| Investments | 110,831 | 114,488 |
| Receivables | | |
| Accounts | 2,902 | 2,687 |
| Accrued Interest | 2,474 | 2,491 |
| Due from Other Governments | 2,035 | 0 |
| Due from Component Units | 0 | 2,779 |
| | <hr/> | <hr/> |
| Total Current Assets | \$ 146,312 | \$ 131,988 |
| | <hr/> | <hr/> |
| <u>CAPITAL ASSETS</u> | | |
| Investment in System | \$ 214,812 | \$ 214,812 |
| Less Accumulated Depreciation | 45,826 | 41,530 |
| | <hr/> | <hr/> |
| Net Capital Assets | \$ 168,986 | \$ 173,282 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 315,298 | \$ 305,270 |
| | <hr/> | <hr/> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| <u>CURRENT LIABILITIES</u> | | |
| Accrued Expenses | \$ 60 | \$ 45 |
| Due to Other Governments | 0 | 1,379 |
| | <hr/> | <hr/> |
| Total Liabilities | \$ 60 | \$ 1,424 |
| | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets | \$ 168,986 | \$ 173,282 |
| Unrestricted | 146,252 | 130,564 |
| | <hr/> | <hr/> |
| Total Net Assets | \$ 315,238 | \$ 303,846 |
| | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30,

| | 2005 | 2004 |
|--|------------|------------|
| <u>OPERATING REVENUES</u> | | |
| Water Charges to Customers | \$ 16,192 | \$ 14,944 |
| <u>OPERATING EXPENSES</u> | | |
| Personal Services | \$ 2,014 | \$ 2,555 |
| Employee Benefits | 997 | 1,573 |
| Operating Supplies | 102 | 0 |
| Audit | 400 | 400 |
| Depreciation | 4,296 | 4,296 |
| Total Operating Expenses | \$ 7,809 | \$ 8,824 |
| Operating Income (Loss) | \$ 8,383 | \$ 6,120 |
| <u>NON-OPERATING REVENUES (EXPENSES)</u> | | |
| Interest Revenue | 3,009 | 1,210 |
| Change in Net Assets | \$ 11,392 | \$ 7,330 |
| <u>NET ASSETS</u> - Beginning of Year | 303,846 | 296,516 |
| <u>NET ASSETS</u> - End of Year | \$ 315,238 | \$ 303,846 |

CITY OF CADILLAC, MICHIGAN
L.D.F.A. UTILITIES FUND
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|---|------------------|------------------|
| <u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u> | | |
| Cash Flows from Operating Activities | | |
| Cash Received from Customers | \$ 14,598 | \$ 14,615 |
| Cash Payments to Suppliers for Goods and Services | (3,498) | (3,224) |
| | <hr/> | <hr/> |
| Net Cash Provided by Operating Activities | \$ 11,100 | \$ 11,391 |
| | <hr/> | <hr/> |
| Cash Flows from Investing Activities | | |
| Interest Received | \$ 3,026 | \$ 1,498 |
| Proceeds from Sales and Maturities | 4,845 | 80,000 |
| Purchase of Investment Securities | (444) | (101,420) |
| | <hr/> | <hr/> |
| Net Cash Provided (Used) by Investing Activities | \$ 7,427 | \$ (19,922) |
| | <hr/> | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 18,527 | \$ (8,531) |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year | 9,543 | 18,074 |
| | <hr/> | <hr/> |
| <u>CASH AND CASH EQUIVALENTS</u> - End of Year | <u>\$ 28,070</u> | <u>\$ 9,543</u> |
| | <hr/> | <hr/> |
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED BY OPERATING ACTIVITIES:</u> | | |
| Operating Income | \$ 8,383 | \$ 6,120 |
| | <hr/> | <hr/> |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | |
| Depreciation | \$ 4,296 | \$ 4,296 |
| (Increase) Decrease in Current Assets | | |
| Accounts Receivable | (215) | (329) |
| Increase (Decrease) in Current Liabilities | | |
| Other Accrued Expenses | 15 | (8) |
| Due to Other Governments | (1,379) | 1,312 |
| | <hr/> | <hr/> |
| Total Adjustments | \$ 2,717 | \$ 5,271 |
| | <hr/> | <hr/> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 11,100</u> | <u>\$ 11,391</u> |

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

COMPARATIVE BALANCE SHEET

JUNE 30,

| | <u>2005</u> | <u>2004</u> |
|-------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Cash | \$ 5,729 | \$ 1,502 |
| Investments | 90,291 | 92,289 |
| Receivables | | |
| Accrued Interest | 1,472 | 141 |
| Due from Other Governments | 1,900 | 1,974 |
| Due from Component Units | 0 | 3,230 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 99,392 | \$ 99,136 |
| | <hr/> | <hr/> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Component Units | \$ 0 | \$ 2,779 |
| <u>FUND BALANCE</u> | | |
| Unreserved | 99,392 | 96,357 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 99,392 | \$ 99,136 |
| | <hr/> | <hr/> |

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF CADILLAC, MICHIGAN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

| | <u>2005</u> | | <u>2004</u> |
|--|------------------|------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | |
| Taxes | | | |
| Property Taxes | \$ 1,500 | \$ 1,441 | \$ 41,024 |
| Interest and Rents | | | |
| Interest on Investments | 1,300 | 3,394 | 2,122 |
| Total Revenues | <u>\$ 2,800</u> | <u>\$ 4,835</u> | <u>\$ 43,146</u> |
| <u>EXPENDITURES</u> | | | |
| Economic Development | | | |
| Contracted Services | \$ 1,000 | \$ 1,000 | \$ 0 |
| Audit | 800 | 800 | 800 |
| Debt Service | | | |
| Revitalization Loan Principal | 0 | 0 | 86,733 |
| Total Expenditures | <u>\$ 1,800</u> | <u>\$ 1,800</u> | <u>\$ 87,533</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,000 | \$ 3,035 | \$ (44,387) |
| <u>FUND BALANCE</u> - Beginning of Year | <u>95,644</u> | <u>96,357</u> | <u>140,744</u> |
| <u>FUND BALANCE</u> - End of Year | <u>\$ 96,644</u> | <u>\$ 99,392</u> | <u>\$ 96,357</u> |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|--|---|-----------|-----------------|
| <u>MBIA Municipal Investors Service Corporation</u> | | | |
| <u>Investment Trust Funds</u> | | | |
| Michigan Class Account | | \$ 1,613 | \$ 1,613 |
| <u>Smith-Barney Account Managed by Lord Abbett Capital</u> | | | |
| <u>Investment Trust Funds</u> | | | |
| Cash | | \$ 1,633 | \$ 1,633 |
| Dreyfus Liquid Assets, Inc. | | 44,182 | 44,182 |
| | | \$ 45,815 | \$ 45,815 |
| <u>Equity Shares</u> | | | |
| Common Stocks | | | |
| 308 Shares | Alcoa, Inc. | \$ 7,517 | \$ 8,048 |
| 219 Shares | American International Group, Inc. | 14,776 | 12,724 |
| 329 Shares | Baker Hughes, Inc. | 10,226 | 16,832 |
| 333 Shares | Bank of America Corporation | 9,340 | 15,188 |
| 422 Shares | Bank New York, Inc. | 12,786 | 12,145 |
| 408 Shares | Baxter International, Inc. | 12,526 | 15,137 |
| 424 Shares | CVS Corporation | 8,904 | 12,326 |
| 192 Shares | Cardinal Health, Inc. | 11,535 | 11,055 |
| 70 Shares | CIGNA Corporation | 4,750 | 7,492 |
| 444 Shares | Citigroup, Inc. | 12,142 | 20,526 |
| 34 Shares | Clear Channel Communications | 1,054 | 1,052 |
| 555 Shares | Comcast Corporation | 13,756 | 16,622 |
| 169 Shares | Clorox Company | 9,460 | 9,417 |
| 366 Shares | Deere & Company | 17,192 | 23,969 |
| 652 Shares | Walt Disney Company | 13,280 | 16,417 |
| 422 Shares | E I Du Pont De Nemours & Company | 17,901 | 18,150 |
| 945 Shares | EMC Corporation | 8,487 | 12,956 |
| 221 Shares | Eaton Corporation | 7,348 | 13,238 |
| 188 Shares | Emerson Electric Company | 10,891 | 11,774 |
| 1057 Shares | Exxon Mobil Corporation | 42,936 | 60,746 |
| 662 Shares | General Electric Company | 21,199 | 22,938 |
| 472 Shares | Gillette Company | 20,629 | 23,897 |
| 288 Shares | GlaxoSmithKline, PLC | 14,334 | 13,971 |
| 128 Shares | Hartford Financial Services Group, Inc. | 9,511 | 9,572 |
| 254 Shares | H J Heinz Company | 9,566 | 8,997 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | <u>COST</u> | <u>MARKET VALUE</u> |
|-------------|-------------------------------|-------------|-------------------------|
| 484 Shares | Hewlett Packard Company | 9,721 | 11,379 |
| 197 Shares | Honeywell International, Inc. | 7,169 | 7,216 |
| 101 Shares | Illinois Tool Works, Inc. | 7,686 | 8,048 |
| 558 Shares | International Paper Company | 23,184 | 16,857 |
| 615 Shares | JP Morgan Chase & Company | 17,881 | 21,722 |
| 137 Shares | Kimberly Clark Corporation | 8,619 | 8,575 |
| 649 Shares | Kraft Foods, Inc. | 19,715 | 20,645 |
| 768 Shares | Kroger Company | 13,488 | 14,615 |
| 264 Shares | MedImmune, Inc. | 6,248 | 7,054 |
| 531 Shares | Mellon Financial Corporation | 12,963 | 15,234 |
| 324 Shares | Merck & Company, Inc. | 16,028 | 9,979 |
| 228 Shares | Merrill Lynch & Company, Inc. | 9,994 | 12,542 |
| 479 Shares | Microsoft Corporation | 13,760 | 11,898 |
| 188 Shares | Monsanto Company | 2,861 | 11,820 |
| 1393 Shares | Motorola, Inc. | 15,978 | 25,436 |
| 279 Shares | Newell Rubbermaid, Inc. | 7,340 | 6,651 |
| 391 Shares | Newmont Mining Corporation | 13,631 | 15,261 |
| 86 Shares | Nike | 3,706 | 7,448 |
| 409 Shares | Novartis | 17,310 | 19,403 |
| 226 Shares | Parker-Hannifin Corporation | 13,105 | 14,014 |
| 318 Shares | Pepsico, Inc. | 14,819 | 17,150 |
| 694 Shares | Pfizer, Inc. | 19,181 | 19,141 |
| 148 Shares | Potash Corporation Sask, Inc. | 4,487 | 14,146 |
| 360 Shares | Praxair, Inc. | 9,223 | 16,776 |
| 186 Shares | Progress Energy, Inc. | 8,090 | 8,415 |
| 141 Shares | Rohm & Haas Company | 4,565 | 6,534 |
| 384 Shares | SBC Communications, Inc. | 11,710 | 9,120 |
| 842 Shares | Schering Plough Corporation | 23,278 | 16,049 |
| 247 Shares | Schlumberger, Ltd. | 13,683 | 18,757 |
| 340 Shares | Tribune Company | 15,568 | 11,960 |
| 256 Shares | Tyco International, Ltd. | 3,553 | 7,475 |
| 151 Shares | Union Pacific Corporation | 9,074 | 9,785 |
| 127 Shares | United Parcel Service | 9,279 | 8,783 |
| 499 Shares | Verizon Communications | 18,372 | 17,240 |
| 286 Shares | Viacom, Inc. | 11,648 | 9,158 |
| 91 Shares | Wachovia Corporation | 3,256 | 4,513 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|------------|------------------------|------------|-----------------|
| 431 Shares | Waste Management, Inc. | 11,975 | 12,215 |
| 162 Shares | Wells Fargo & Company | 7,735 | 9,976 |
| 567 Shares | Wyeth | 22,488 | 25,232 |
| 689 Shares | Xerox Corporation | 4,740 | 9,501 |
| | | \$ 789,157 | \$ 912,912 |
| | | \$ 834,972 | \$ 958,727 |

Smith-Barney Account Managed by Rittenhouse Capital Management

Investment Trust Funds

| | | |
|-----------------------------|-----------|-----------|
| Cash | \$ 51 | \$ 51 |
| Dreyfus Liquid Assets, Inc. | 26,733 | 26,733 |
| | \$ 26,784 | \$ 26,784 |

Equity Shares

Common Stocks

| | | | |
|------------|--|----------|-----------|
| 240 Shares | American International Group | \$ 7,788 | \$ 13,944 |
| 226 Shares | Amgen, Inc. | 13,103 | 13,664 |
| 191 Shares | Bank New York, Inc. | 5,679 | 5,497 |
| 210 Shares | Bed, Bath & Beyond | 7,593 | 8,774 |
| 622 Shares | Cisco Systems, Inc. | 10,804 | 11,868 |
| 342 Shares | Citigroup, Inc. | 13,810 | 15,811 |
| 180 Shares | Colgate Palmolive Company | 8,545 | 8,984 |
| 399 Shares | Dell Computer Corporation | 12,915 | 15,745 |
| 212 Shares | Walt Disney Company | 5,920 | 5,338 |
| 89 Shares | Emerson Electric Company | 6,070 | 5,574 |
| 519 Shares | General Electric Company | 10,432 | 17,983 |
| 102 Shares | Harley-Davidson, Inc. | 5,827 | 5,059 |
| 413 Shares | Intel Corporation | 10,705 | 10,746 |
| 138 Shares | International Business Machines, Corporation | 13,150 | 10,240 |
| 251 Shares | Johnson & Johnson | 14,949 | 16,315 |
| 144 Shares | Eli Lilly & Company | 9,633 | 8,022 |
| 170 Shares | Linear Technology Corporation | 6,352 | 6,237 |
| 181 Shares | Lowes Companies, Inc. | 8,454 | 10,538 |
| 237 Shares | MBNA Corporation | 4,852 | 6,200 |
| 104 Shares | Medco Health Solutions, Inc. | 4,394 | 5,549 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|------------|---------------------------------|------------|-----------------|
| 251 Shares | Medtronic, Inc. | 9,548 | 12,999 |
| 685 Shares | Microsoft Corporation | 21,822 | 17,015 |
| 91 Shares | Morgan Stanley | 4,309 | 4,775 |
| 48 Shares | Omnicom Group, Inc. | 3,771 | 3,833 |
| 582 Shares | Oracle Corporation | 6,484 | 7,682 |
| 195 Shares | Pepsico, Inc. | 9,104 | 10,516 |
| 276 Shares | Procter & Gamble Company | 13,215 | 14,559 |
| 167 Shares | Qualcomm, Inc. | 5,983 | 5,513 |
| 154 Shares | Stryker Corporation | 6,951 | 7,324 |
| 320 Shares | Sysco Corporation | 9,900 | 11,581 |
| 132 Shares | Target Corporation | 4,655 | 7,182 |
| 218 Shares | Texas Instruments, Inc. | 7,547 | 6,119 |
| 124 Shares | 3 M Company | 9,627 | 8,965 |
| 88 Shares | United Technologies Corporation | 3,957 | 4,519 |
| 154 Shares | United Health Group, Inc. | 3,514 | 8,031 |
| 319 Shares | Wal-Mart Stores, Inc. | 16,549 | 15,376 |
| 170 Shares | Wells Fargo & Company | 9,859 | 10,469 |
| 77 Shares | Zimmer Holdings, Inc. | 5,967 | 5,865 |
| | | \$ 333,737 | \$ 364,411 |
| | | \$ 360,521 | \$ 391,195 |

Smith-Barney Account Managed by Kayne Anderson

Investment Trust Funds

Dreyfus Liquid Assets, Inc.

\$ 24,430 \$ 24,430

Equity Shares

Common Stocks

| | | | |
|-------------|--------------------------------|-----------|-----------|
| 808 Shares | Axcan Pharma, Inc. | \$ 15,737 | \$ 12,346 |
| 1140 Shares | Bemis Company, Inc. | 28,556 | 30,256 |
| 351 Shares | Brown & Brown, Inc.. | 10,935 | 15,774 |
| 432 Shares | C.H. Robinson Worldwide, Inc. | 13,215 | 25,142 |
| 1032 Shares | Catalina Marketing Corporation | 29,337 | 26,223 |
| 705 Shares | Certegy, Inc. | 27,218 | 26,945 |
| 600 Shares | Cincinnati Financial Group | 23,411 | 23,736 |
| 495 Shares | Cintas Corporation | 24,778 | 19,107 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|-------------|------------------------------------|------------|-----------------|
| 1335 Shares | Copart, Inc. | 21,407 | 31,800 |
| 682 Shares | Diagnostic Products Corporation | 27,864 | 32,279 |
| 512 Shares | Donaldson Company, Inc. | 9,758 | 15,529 |
| 1460 Shares | Eaton Vance Corporation | 24,406 | 34,909 |
| 635 Shares | Equifax, Inc. | 16,750 | 22,676 |
| 790 Shares | Fair Isaac & Company, Inc. | 20,316 | 28,835 |
| 1395 Shares | Jack Henry & Associates, Inc. | 25,028 | 25,542 |
| 1730 Shares | IMS Health, Inc. | 34,559 | 42,852 |
| 635 Shares | Mettler Toledo International, Inc. | 28,540 | 29,578 |
| 1035 Shares | Microchip Technology, Inc. | 25,259 | 30,657 |
| 1490 Shares | 99 Cents Only Stores | 36,415 | 18,938 |
| 947 Shares | Regis Corporation | 30,100 | 37,009 |
| 630 Shares | Reinsurance Group of America | 19,366 | 29,301 |
| 1702 Shares | Rent-A-Center, Inc. | 41,221 | 39,640 |
| 435 Shares | Stancorp Financial Group | 27,500 | 33,312 |
| 556 Shares | Stericycle, Inc. | 27,226 | 28,481 |
| 490 Shares | Teleflex, Inc. | 27,064 | 29,091 |
| 241 Shares | Tootsie Roll Industries, Inc. | 8,817 | 7,049 |
| 654 Shares | Universal Compression Holdings | 23,913 | 23,702 |
| 690 Shares | Valspar Corporation | 31,386 | 33,320 |
| 565 Shares | Zebra Technologies, Inc. | 14,192 | 24,741 |
| | | \$ 694,274 | \$ 778,770 |
| | | \$ 718,704 | \$ 803,200 |

Smith-Barney Account Managed by Calamos Asset Management

Investment Trust Funds

Dreyfus Liquid Assets, Inc.

| | | | |
|----|--------|----|--------|
| \$ | 34,448 | \$ | 34,448 |
| \$ | 34,448 | \$ | 34,448 |

Equity Shares

Preferred Stocks

| | | | |
|-------------|--------------------------|-----------|-----------|
| 1425 Shares | Albertson's, Inc. | \$ 35,802 | \$ 31,877 |
| 370 Shares | Amerada Hess Corporation | 22,518 | 33,903 |
| 850 Shares | Chubb Corporation | 23,562 | 26,996 |
| 840 Shares | Ford Motor Company | 34,631 | 33,877 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|------------|--|------------|-----------------|
| 550 Shares | Hartford Financial Services Group Inc. | 35,008 | 38,060 |
| 520 Shares | Schering Plough Corporation | 26,687 | 26,510 |
| 210 Shares | Southern Union Co 5.75% CV PFD | 12,208 | 15,275 |
| 200 Shares | Southern Union Co 5.00% CV PFD | 10,300 | 10,139 |
| 400 Shares | Washington Mutual, Inc. | 21,324 | 21,200 |
| | | \$ 222,040 | \$ 237,837 |

International Bonds and Notes

AM DOCS LTD CV

0.500%, Due 03/15/2024 \$ 26,437 \$ 26,426

TYCO International Group SA CV SR DEBS

2.750%, Due 01/15/2018 30,354 36,120

INCO, LTD CV

0.000%, Due 03/29/2021 20,988 33,165

Schlumberger, LTD CV

2.125%, Due 06/01/2023 23,647 28,063

TEVA Pharmaceutical FIN BV CNV

0.500%, Due 02/01/2024 34,128 33,320

\$ 135,554 \$ 157,094

Corporate Bonds and Notes

Alza Corporation

0.000%, Due 07/28/2020 \$ 14,369 \$ 17,850

American Financial Group

1.486%, Due 06/02/2033 27,338 27,788

Carnival Corporation

2.000%, Due 04/15/2021 29,742 36,758

CBRL Group, Inc.

0.000%, Due 04/03/2032 26,603 25,025

Centerpoint Energy, Inc.

2.875%, Due 01/15/2024 28,145 28,438

Comverse Technology, Inc.

0.000%, Due 05/15/2023 24,808 28,901

Cooper Cameron Corporation

1.500%, Due 05/15/2024 12,054 13,200

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | <u>COST</u> | <u>MARKET VALUE</u> |
|-----------------------------------|-------------|-------------------------|
| DST Systems, Inc. | | |
| 4.125%, Due 08/15/2023 | 37,460 | 34,163 |
| Fisher Scientific International | | |
| 3.250%, Due 03/01/2024 | 25,590 | 24,840 |
| Flexitronics International | | |
| 1.000%, Due 08/01/2010 | 13,968 | 14,543 |
| Fluor Corporation New Cash Pay | | |
| 1.500%, Due 02/15/2024 | 36,550 | 40,425 |
| Franklin Resources, Inc. | | |
| 0.000%, Due 05/11/2031 | 25,322 | 26,871 |
| General Mills, Inc. | | |
| 0.000%, Due 10/28/2022 | 35,036 | 35,250 |
| Halliburton Company | | |
| 3.125%, Due 07/15/2023 | 12,400 | 13,825 |
| HCC Insurance Holdings, Inc. | | |
| 1.300%, Due 04/01/2023 | 34,941 | 34,125 |
| Health Management Association | | |
| 0.000%, Due 01/28/2022 | 35,382 | 36,650 |
| Hilton Hotels Corporation | | |
| 3.375%, Due 04/15/2023 | 25,338 | 26,483 |
| Laboratory Corporation of America | | |
| 0.000%, Due 09/11/2021 | 26,869 | 26,075 |
| Liberty Media Corporation Notes | | |
| 0.750%, Due 03/30/2023 | 35,880 | 33,760 |
| Lockheed Martin Corporation | | |
| 3.018%, Due 08/15/2033 | 26,903 | 26,610 |
| Lowes Companies | | |
| 0.861%, Due 10/19/2021 | 26,286 | 25,812 |
| Markel Corporation | | |
| 0.000%, Due 06/05/2031 | 28,434 | 27,737 |
| Masco Corporation | | |
| 0.000%, Due 07/20/2031 | 14,970 | 13,891 |
| Medtronic, Inc. | | |
| 1.250%, Due 09/15/2021 | 25,500 | 24,780 |
| Merrill Lynch & Company | | |
| 0.000%, Due 03/13/2032 | 25,575 | 24,938 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | COST | MARKET VALUE |
|---------------------------|--------------|-----------------|
| Nabors Industries, Inc. | | |
| 0.000%, Due 06/15/2023 | 25,653 | 28,805 |
| Omnicom Group | | |
| 0.000%, Due 06/15/2033 | 33,967 | 33,150 |
| Reebok International | | |
| 2.000%, Due 05/01/2024 | 34,185 | 33,520 |
| RPM International, Inc. | | |
| 1.389%, Due 05/13/2033 | 24,090 | 25,300 |
| Selective Insurance Group | | |
| 1.615%, Due 09/24/2032 | 23,153 | 29,250 |
| Universal Health Services | | |
| 0.426%, Due 06/23/2020 | 26,939 | 31,725 |
| Walt Disney Company | | |
| 0.000%, Due 04/15/2023 | 36,144 | 35,919 |
| Wyeth | | |
| 2.390%, Due 01/15/2024 | 39,031 | 38,919 |
| | \$ 898,625 | \$ 925,326 |
| | \$ 1,290,667 | \$ 1,354,705 |

Smith-Barney Account Managed by Lazard Freres Asset Management

Investment Trust Funds

| | | |
|-----------------------------|-----------|-----------|
| Cash | \$ 751 | \$ 751 |
| Dreyfus Liquid Assets, Inc. | 34,013 | 34,013 |
| | \$ 34,764 | \$ 34,764 |

Equity Shares

Common Stocks

| | | | |
|------------|------------------------------|-----------|-----------|
| 455 Shares | Allied Irish Banks Spons ADR | \$ 12,604 | \$ 19,542 |
| 600 Shares | AXA - S.A. Spons | 11,325 | 14,946 |
| 430 Shares | BP Amoco PLC | 18,653 | 26,823 |
| 775 Shares | Barclays PLC-ADR | 23,762 | 30,954 |
| 920 Shares | Cadbury Schweppes PLC | 21,369 | 35,264 |
| 475 Shares | Canon, Inc. | 14,440 | 24,999 |
| 510 Shares | CIE *Financiere Richemont | 8,395 | 17,158 |
| 560 Shares | Credit Suisse Group | 19,285 | 21,918 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|-------------|-------------------------------|------------|-----------------|
| 550 Shares | Danske Bank | 3,493 | 16,553 |
| 480 Shares | Diageo, PLC | 18,913 | 28,464 |
| 190 Shares | Eni Spa Sponsored | 10,562 | 24,358 |
| 565 Shares | Glaxosmithkline, PLC | 32,487 | 27,408 |
| 413 Shares | HSBC Holdings, PLC | 17,154 | 32,895 |
| 801 Shares | Heineken N V | 24,516 | 24,767 |
| 70 Shares | Hoya Corporation | 7,899 | 8,086 |
| 79 Shares | Kao Corporation | 20,251 | 18,643 |
| 370 Shares | Nestle S A | 9,661 | 23,621 |
| 1550 Shares | Nokia Corporation | 35,774 | 25,792 |
| 1410 Shares | Nomura Holdings, Inc. | 24,424 | 16,838 |
| 373 Shares | Novartis | 12,020 | 17,695 |
| 320 Shares | Roche Holdings | 13,005 | 20,258 |
| 432 Shares | Royal Dutch Petroleum Company | 13,527 | 28,037 |
| 620 Shares | San Paolo-IMI SPA | 14,933 | 16,976 |
| 398 Shares | Sanofi-Aventis | 13,988 | 16,314 |
| 220 Shares | Schering | 12,905 | 13,572 |
| 325 Shares | Siemens A G | 32,701 | 23,611 |
| 1170 Shares | Societe Generale | 7,018 | 23,839 |
| 200 Shares | Swiss Reinsurance | 12,930 | 12,302 |
| 915 Shares | Tesco PLC | 10,364 | 15,683 |
| 204 Shares | Total SA Spons ADR | 4,728 | 23,837 |
| 875 Shares | Unilever, PLC | 25,813 | 33,994 |
| 380 Shares | UBS AG | 16,386 | 29,583 |
| 560 Shares | Vivendi Universal | 17,934 | 17,545 |
| 1350 Shares | Vodafone Group, PLC | 25,573 | 32,832 |
| | | \$ 568,792 | \$ 765,107 |
| | | \$ 603,556 | \$ 799,871 |

Smith-Barney Account Managed by Large Cap Growth
Investment Trust Funds

| | | |
|-----------------------------|-----------|-----------|
| Cash | \$ 15 | \$ 15 |
| Dreyfus Liquid Assets, Inc. | 13,533 | 13,533 |
| | \$ 13,548 | \$ 13,548 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | | COST | MARKET VALUE |
|--|------------------------------------|-------------------|-------------------|
| <u>Equity Shares</u> | | | |
| Common Stocks | | | |
| 130 Shares | AFLAC, Inc. | \$ 4,145 | \$ 5,626 |
| 369 Shares | Adobe Systems, Inc. | 11,307 | 10,557 |
| 1076 Shares | Amazon.Com | 45,978 | 35,605 |
| 127 Shares | American International Group, Inc. | 7,544 | 7,379 |
| 177 Shares | Amgen, Inc. | 11,723 | 10,701 |
| 312 Shares | Apollo Group, Inc. | 24,230 | 24,405 |
| 512 Shares | CISCO Systems, Inc. | 9,005 | 8,472 |
| 376 Shares | Commerce Bancorp | 11,387 | 11,397 |
| 549 Shares | Dell, Inc. | 19,449 | 21,664 |
| 1065 Shares | Ebay, Inc. | 31,548 | 35,156 |
| 346 Shares | Electronic Arts | 16,991 | 19,587 |
| 530 Shares | Genentech, Inc. | 22,723 | 42,548 |
| 284 Shares | General Electric Company | 8,980 | 9,841 |
| 80 Shares | Google | 15,653 | 23,532 |
| 556 Shares | Maxim Integrated Products, Inc. | 24,292 | 21,250 |
| 1124 Shares | Network Appliance, Inc. | 27,238 | 31,775 |
| 432 Shares | Pixar, Inc. | 16,455 | 21,622 |
| 498 Shares | Progressive Corporation | 37,416 | 49,207 |
| 784 Shares | Qualcomm, Inc. | 23,139 | 25,880 |
| 311 Shares | Starbucks Corporation | 10,807 | 16,066 |
| 264 Shares | Symantec Corporation | 7,385 | 5,739 |
| 183 Shares | Wal-Mart Stores, Inc. | 10,622 | 8,821 |
| 310 Shares | Walgreen Company | 10,360 | 14,257 |
| 558 Shares | XM Satellite Radio Holdings | 14,194 | 18,782 |
| 553 Shares | XILINX, Inc. | 18,054 | 14,102 |
| 1140 Shares | Yahoo, Inc. | 22,906 | 39,500 |
| | | <u>\$ 463,531</u> | <u>\$ 533,471</u> |
| | | <u>\$ 477,079</u> | <u>\$ 547,019</u> |
| <u>Smith-Barney Account Managed by Madison Investment Advisors</u> | | | |
| <u>Investment Trust Funds</u> | | | |
| | Dreyfus Liquid Assets, Inc. | <u>\$ 27,096</u> | <u>\$ 27,096</u> |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | COST | MARKET VALUE |
|---|-------------------|-------------------|
| <u>Corporate Bonds and Notes</u> | | |
| Bank One Corporation Notes | | |
| 6.000%, Due 08/01/2008 | \$ 11,137 | \$ 10,495 |
| Citigroup Inc. Global Notes | | |
| 4.250%, Due 07/29/2009 | 20,112 | 20,067 |
| Coca Cola Enterprises Notes | | |
| 5.375%, Due 08/15/2006 | 20,268 | 20,232 |
| Countrywide Home Loan | | |
| 5.625%, Due 05/15/2007 | 21,701 | 20,492 |
| First Data Corporation Global | | |
| 5.625%, Due 11/01/2011 | 21,183 | 21,208 |
| Ford Motor Credit Company Notes | | |
| 6.125%, Due 01/09/2006 | 18,010 | 20,073 |
| General Electric Cap. Corporation | | |
| 4.625%, Due 09/15/2009 | 30,203 | 30,513 |
| Goldman Sachs Group, Inc. Notes | | |
| 6.650%, Due 05/15/2009 | 33,230 | 32,486 |
| Hewlett-Packard Company | | |
| 5.500%, Due 07/01/2007 | 20,552 | 20,494 |
| Household Finance Corporation Notes | | |
| 7.875%, Due 03/01/2007 | 19,561 | 21,178 |
| International Business Machines Corporation Notes | | |
| 6.45%, Due 8/01/2007 | 19,431 | 20,913 |
| SBC Communications | | |
| 5.750%, Due 05/02/2006 | 19,953 | 20,285 |
| Wal-Mart Stores, Inc. | | |
| 5.450%, Due 08/01/2006 | 21,657 | 20,300 |
| | <u>\$ 276,998</u> | <u>\$ 278,736</u> |
| <u>Government Bonds</u> | | |
| Federal Home Loan Mortgage Corporation | | |
| Dated 09/12/2003, 3.625%, Due 09/15/2008 | \$ 45,130 | \$ 44,606 |
| Federal National Mortgage Association Global Debs | | |
| Dated 03/26/2003, 5.250%, Due 04/15/2007 | 42,810 | 40,975 |
| US Treasury Notes SER-E-2006 | | |
| Dated 05/15/2001, 4.625%, Due 05/15/2006 | 5,457 | 5,047 |

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM
INVESTMENT DATA
JUNE 30, 2005

| | <u>COST</u> | <u>MARKET VALUE</u> |
|--|--------------------------------|--------------------------------|
| US Treasury Notes SER-E-2007 Dated 05/15/2002, 4.375%, Due 05/15/2007 | 46,735 | 45,599 |
| US Treasury Notes SER-E-2008 Dated 11/15/1998, 4.750%, Due 11/15/2008 | 57,394 | 56,822 |
| US Treasury Notes SER-E-2010 Dated 01/15/2005, 3.625%, Due 01/15/2010 | 53,837 | 54,741 |
| | <u>\$ 251,363</u> | <u>\$ 247,790</u> |
| | <u>\$ 555,457</u> | <u>\$ 553,622</u> |
| GRAND TOTAL | <u><u>\$ 4,842,569</u></u> | <u><u>\$ 5,409,952</u></u> |

CITY OF CADILLAC, MICHIGAN

1993 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2005

| | | | |
|--|---|--|------------------|
| <u>TITLE OF ISSUE</u> | 1993 Michigan Transportation Fund Bonds | | |
| <u>PURPOSE</u> | Defraying a portion of the cost of local street improvements in the City. | | |
| <u>DATE OF ISSUE</u> | June 1, 1993 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 185,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 145,000 | | |
| During Current Period | <u>20,000</u> | | <u>165,000</u> |
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | | | <u>\$ 20,000</u> |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.40 % | <u>\$ 20,000</u> | <u>\$ 540</u> | <u>\$ 20,540</u> |

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2005

| | | | |
|--|--|-------------------|--|
| <u>TITLE OF ISSUE</u> | 1996 Michigan Transportation Fund Bonds | | |
| <u>PURPOSE</u> | To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended. | | |
| <u>DATE OF ISSUE</u> | May 1, 1996 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 230,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 80,000 | | |
| During Current Period | <u>15,000</u> | <u>95,000</u> | |
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | | <u>\$ 135,000</u> | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.50 % | \$ 20,000 | \$ 3,712 | \$ 23,712 |
| April 1, 2006 | | | 3,162 | 3,162 |
| October 1, 2006 | 5.50 % | 20,000 | 3,162 | 23,162 |
| April 1, 2007 | | | 2,612 | 2,612 |
| October 1, 2007 | 5.50 % | 20,000 | 2,612 | 22,612 |
| April 1, 2008 | | | 2,063 | 2,063 |
| October 1, 2008 | 5.50 % | 25,000 | 2,063 | 27,063 |
| April 1, 2009 | | | 1,375 | 1,375 |
| October 1, 2009 | 5.50 % | 25,000 | 1,375 | 26,375 |
| April 1, 2010 | | | 687 | 687 |
| October 1, 2010 | 5.50 % | 25,000 | 687 | 25,687 |
| | | <u>\$ 135,000</u> | <u>\$ 23,510</u> | <u>\$ 158,510</u> |

CITY OF CADILLAC, MICHIGAN

1997 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2005

| | | | |
|--|---|------------------|--|
| <u>TITLE OF ISSUE</u> | 1997 Michigan Transportation Fund Bonds | | |
| <u>PURPOSE</u> | To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952 as amended. | | |
| <u>DATE OF ISSUE</u> | May 1, 1997 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 110,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 45,000 | | |
| During Current Period | <u>10,000</u> | <u>55,000</u> | |
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | | <u>\$ 55,000</u> | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.20 % | \$ 10,000 | \$ 1,460 | \$ 11,460 |
| April 1, 2006 | | | 1,200 | 1,200 |
| October 1, 2006 | 5.30 % | 15,000 | 1,200 | 16,200 |
| April 1, 2007 | | | 802 | 802 |
| October 1, 2007 | 5.35 % | 15,000 | 802 | 15,802 |
| April 1, 2008 | | | 401 | 401 |
| October 1, 2008 | 5.35 % | 15,000 | 401 | 15,401 |
| | | <u>\$ 55,000</u> | <u>\$ 6,266</u> | <u>\$ 61,266</u> |

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2005

| | | | |
|--|--|-------------------|--|
| <u>TITLE OF ISSUE</u> | 2000 Michigan Transportation Fund Bonds | | |
| <u>PURPOSE</u> | To defray part of the cost of constructing street improvements in the City of Cadillac pursuant to the provisions of Act 175, Public Acts of Michigan, 1952, as amended. | | |
| <u>DATE OF ISSUE</u> | June 1, 2000 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 300,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 30,000 | | |
| During Current Period | <u>15,000</u> | <u>45,000</u> | |
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | | <u>\$ 255,000</u> | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.35 % | \$ 15,000 | \$ 6,986 | \$ 21,986 |
| April 1, 2006 | | | 6,585 | 6,585 |
| October 1, 2006 | 5.40 % | 20,000 | 6,585 | 26,585 |
| April 1, 2007 | | | 6,045 | 6,045 |
| October 1, 2007 | 5.40 % | 20,000 | 6,045 | 26,045 |
| April 1, 2008 | | | 5,505 | 5,505 |
| October 1, 2008 | 5.45 % | 25,000 | 5,505 | 30,505 |
| April 1, 2009 | | | 4,824 | 4,824 |
| October 1, 2009 | 5.45 % | 25,000 | 4,824 | 29,824 |
| April 1, 2010 | | | 4,142 | 4,142 |
| October 1, 2010 | 5.50 % | 25,000 | 4,142 | 29,142 |
| April 1, 2011 | | | 3,455 | 3,455 |
| October 1, 2011 | 5.50 % | 25,000 | 3,455 | 28,455 |
| April 1, 2012 | | | 2,768 | 2,768 |

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS

JUNE 30, 2005

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2012 | 5.50 % | 30,000 | 2,768 | 32,768 |
| April 1, 2013 | | | 1,943 | 1,943 |
| October 1, 2013 | 5.55 % | 35,000 | 1,943 | 36,943 |
| April 1, 2014 | | | 971 | 971 |
| October 1, 2014 | 5.55 % | 35,000 | 971 | 35,971 |
| | | <u>\$ 255,000</u> | <u>\$ 79,462</u> | <u>\$ 334,462</u> |

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2005

TITLE OF ISSUE City of Cadillac 2004 General Obligation Capital Improvement Bonds

PURPOSE For the purpose of paying all or part of acquiring and constructing various street improvements in the City, including all related appurtenances and attachments pursuant to Act 34, Public Acts of Michigan 2001.

DATE OF ISSUE November 1, 2004

AMOUNT OF ISSUE \$ 995,000

AMOUNT REDEEMED

| | | |
|-------------------------|----------|----------|
| Prior to Current Period | \$ 0 | |
| During Current Period | <u>0</u> | <u>0</u> |

BALANCE OUTSTANDING - June 30, 2005 \$ 995,000

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|-------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| September 1, 2005 | 2.05 % | \$ 55,000 | \$ 16,985 | \$ 71,985 |
| March 1, 2006 | | | 16,421 | 16,421 |
| September 1, 2006 | 2.20 % | 55,000 | 16,421 | 71,421 |
| March 1, 2007 | | | 15,816 | 15,816 |
| September 1, 2007 | 2.35 % | 55,000 | 15,816 | 70,816 |
| March 1, 2008 | | | 15,170 | 15,170 |
| September 1, 2008 | 2.60 % | 55,000 | 15,170 | 70,170 |
| March 1, 2009 | | | 14,455 | 14,455 |
| September 1, 2009 | 2.90 % | 60,000 | 14,455 | 74,455 |
| March 1, 2010 | | | 13,585 | 13,585 |

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS

JUNE 30, 2005

| | INTEREST RATES | REQUIREMENTS | | |
|-------------------|-------------------|--------------|------------|--------------|
| | | PRINCIPAL | INTEREST | TOTAL |
| September 1, 2010 | 3.15 % | 60,000 | 13,585 | 73,585 |
| March 1, 2011 | | | 12,640 | 12,640 |
| September 1, 2011 | 3.35 % | 65,000 | 12,640 | 77,640 |
| March 1, 2012 | | | 11,551 | 11,551 |
| September 1, 2012 | 3.50 % | 65,000 | 11,551 | 76,551 |
| March 1, 2013 | | | 10,414 | 10,414 |
| September 1, 2013 | 3.65 % | 65,000 | 10,414 | 75,414 |
| March 1, 2014 | | | 9,228 | 9,228 |
| September 1, 2014 | 3.75 % | 70,000 | 9,228 | 79,228 |
| March 1, 2015 | | | 7,915 | 7,915 |
| September 1, 2015 | 3.85 % | 70,000 | 7,915 | 77,915 |
| March 1, 2016 | | | 6,568 | 6,568 |
| September 1, 2016 | 3.95 % | 75,000 | 6,568 | 81,568 |
| March 1, 2017 | | | 5,086 | 5,086 |
| September 1, 2017 | 4.05 % | 80,000 | 5,086 | 85,086 |
| March 1, 2018 | | | 3,466 | 3,466 |
| September 1, 2018 | 4.15 % | 80,000 | 3,466 | 83,466 |
| March 1, 2019 | | | 1,806 | 1,806 |
| September 1, 2019 | 4.25 % | 85,000 | 1,806 | 86,806 |
| | | \$ 995,000 | \$ 305,227 | \$ 1,300,227 |

CITY OF CADILLAC, MICHIGAN

1992 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| | | | |
|--|--|------------------|--|
| <u>TITLE OF ISSUE</u> | 1992 Special Assessment Limited Tax Bonds | | |
| <u>PURPOSE</u> | Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac. | | |
| <u>DATE OF ISSUE</u> | June 1, 1992 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 360,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 290,000 | | |
| During Current Period | <u>25,000</u> | <u>315,000</u> | |
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | | <u>\$ 45,000</u> | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 6.10 % | \$ 25,000 | \$ 1,383 | \$ 26,383 |
| April 1, 2006 | | | 620 | 620 |
| October 1, 2006 | 6.20 % | 20,000 | 620 | 20,620 |
| | | <u>\$ 45,000</u> | <u>\$ 2,623</u> | <u>\$ 47,623</u> |

CITY OF CADILLAC, MICHIGAN

1993 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| | | | |
|--|--|-----------|--|
| <u>TITLE OF ISSUE</u> | 1993 Special Assessment Limited Tax Bonds | | |
| <u>PURPOSE</u> | Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac. | | |
| <u>DATE OF ISSUE</u> | June 1, 1993 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 220,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 160,000 | | |
| During Current Period | 15,000 | 175,000 | |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | | \$ 45,000 | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.40 % | \$ 15,000 | \$ 1,237 | \$ 16,237 |
| April 1, 2006 | | | 833 | 833 |
| October 1, 2006 | 5.50 % | 15,000 | 833 | 15,833 |
| April 1, 2007 | | | 420 | 420 |
| October 1, 2007 | 5.60 % | 15,000 | 420 | 15,420 |
| | | \$ 45,000 | \$ 3,743 | \$ 48,743 |

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| | |
|--|---|
| <u>TITLE OF ISSUE</u> | City of Cadillac 1996 Special Assessment Limited Tax Bonds |
| <u>PURPOSE</u> | Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac |
| <u>DATE OF ISSUE</u> | May 1, 1996 |
| <u>AMOUNT OF ISSUE</u> | \$ 425,000 |
| <u>AMOUNT REDEEMED</u> | |
| Prior to Current Period | \$ 250,000 |
| During Current Period | <u>30,000</u> <u>280,000</u> |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | <u><u>\$ 145,000</u></u> |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|--------------------------|-------------------------|--------------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.30 % | \$ 30,000 | \$ 3,935 | \$ 33,935 |
| April 1, 2006 | | | 3,140 | 3,140 |
| October 1, 2006 | 5.35 % | 30,000 | 3,140 | 33,140 |
| April 1, 2007 | | | 2,337 | 2,337 |
| October 1, 2007 | 5.40 % | 30,000 | 2,337 | 32,337 |
| April 1, 2008 | | | 1,527 | 1,527 |
| October 1, 2008 | 5.50 % | 30,000 | 1,527 | 31,527 |
| April 1, 2009 | | | 703 | 703 |
| October 1, 2009 | 5.60 % | 15,000 | 703 | 15,703 |
| April 1, 2010 | | | 283 | 283 |
| October 1, 2010 | 5.65 % | 10,000 | 283 | 10,283 |
| | | <u><u>\$ 145,000</u></u> | <u><u>\$ 19,915</u></u> | <u><u>\$ 164,915</u></u> |

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| | | | |
|--|--|-------------------|--|
| <u>TITLE OF ISSUE</u> | City of Cadillac 1997 Special Assessment Limited Tax Bonds | | |
| <u>PURPOSE</u> | Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac. | | |
| <u>DATE OF ISSUE</u> | May 1, 1997 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 360,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 165,000 | | |
| During Current Period | <u>25,000</u> | <u>190,000</u> | |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | | <u>\$ 170,000</u> | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.20 % | \$ 25,000 | \$ 4,544 | \$ 29,544 |
| April 1, 2006 | | | 3,895 | 3,895 |
| October 1, 2006 | 5.30 % | 25,000 | 3,895 | 28,895 |
| April 1, 2007 | | | 3,232 | 3,232 |
| October 1, 2007 | 5.35 % | 25,000 | 3,232 | 28,232 |
| April 1, 2008 | | | 2,563 | 2,563 |
| October 1, 2008 | 5.35 % | 25,000 | 2,563 | 27,563 |
| April 1, 2009 | | | 1,894 | 1,894 |
| October 1, 2009 | 5.40 % | 25,000 | 1,894 | 26,894 |
| April 1, 2010 | | | 1,220 | 1,220 |
| October 1, 2010 | 5.40 % | 25,000 | 1,220 | 26,220 |
| April 1, 2011 | | | 545 | 545 |
| October 1, 2011 | 5.45 % | <u>20,000</u> | <u>545</u> | <u>20,545</u> |
| | | <u>\$ 170,000</u> | <u>\$ 31,242</u> | <u>\$ 201,242</u> |

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| | |
|--|--|
| <u>TITLE OF ISSUE</u> | City of Cadillac 2000 Special Assessment Limited Tax Bonds |
| <u>PURPOSE</u> | Paying the cost of public improvements in certain Special Assessment Districts in the City of Cadillac |
| <u>DATE OF ISSUE</u> | June 1, 2000 |
| <u>AMOUNT OF ISSUE</u> | \$ 210,000 |
| <u>AMOUNT REDEEMED</u> | |
| Prior to Current Period | \$ 65,000 |
| During Current Period | 20,000 |
| | <u>85,000</u> |
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | <u><u>\$ 125,000</u></u> |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 5.35 % | \$ 20,000 | \$ 3,396 | \$ 23,396 |
| April 1, 2006 | | | 2,861 | 2,861 |
| October 1, 2006 | 5.40 % | 20,000 | 2,861 | 22,861 |
| April 1, 2007 | | | 2,322 | 2,322 |
| October 1, 2007 | 5.40 % | 20,000 | 2,322 | 22,322 |
| April 1, 2008 | | | 1,781 | 1,781 |
| October 1, 2008 | 5.45 % | 15,000 | 1,781 | 16,781 |
| April 1, 2009 | | | 1,373 | 1,373 |
| October 1, 2009 | 5.45 % | 20,000 | 1,373 | 21,373 |
| April 1, 2010 | | | 827 | 827 |
| October 1, 2010 | 5.50 % | 5,000 | 827 | 5,827 |
| April 1, 2011 | | | 690 | 690 |
| October 1, 2011 | 5.50 % | 5,000 | 690 | 5,690 |
| April 1, 2012 | | | 553 | 553 |

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2012 | 5.50 % | 10,000 | 553 | 10,553 |
| April 1, 2013 | | | 277 | 277 |
| October 1, 2013 | 5.55 % | 5,000 | 277 | 5,277 |
| April 1, 2014 | | | 139 | 139 |
| October 1, 2014 | 5.55 % | 5,000 | 139 | 5,139 |
| | | <u>\$ 125,000</u> | <u>\$ 25,042</u> | <u>\$ 150,042</u> |

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| | | | |
|--|---|-------------------|--|
| <u>TITLE OF ISSUE</u> | 2002 Special Assessment Limited Tax Bonds | | |
| <u>PURPOSE</u> | For the purpose of constructing public improvements in certain Special Assessment Districts | | |
| <u>DATE OF ISSUE</u> | June 1, 2002 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 325,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 45,000 | | |
| During Current Period | <u>35,000</u> | <u>80,000</u> | |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | | <u>\$ 245,000</u> | |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 3.40 % | \$ 35,000 | \$ 4,937 | \$ 39,937 |
| April 1, 2006 | | | 4,342 | 4,342 |
| October 1, 2006 | 3.40 % | 30,000 | 4,342 | 34,342 |
| April 1, 2007 | | | 3,832 | 3,832 |
| October 1, 2007 | 3.80 % | 30,000 | 3,832 | 33,832 |
| April 1, 2008 | | | 3,262 | 3,262 |
| October 1, 2008 | 4.00 % | 35,000 | 3,262 | 38,262 |
| April 1, 2009 | | | 2,562 | 2,562 |
| October 1, 2009 | 4.20 % | 30,000 | 2,562 | 32,562 |
| April 1, 2010 | | | 1,932 | 1,932 |
| October 1, 2010 | 4.40 % | 30,000 | 1,932 | 31,932 |
| April 1, 2011 | | | 1,272 | 1,272 |
| October 1, 2011 | 4.50 % | 30,000 | 1,272 | 31,272 |
| April 1, 2012 | | | 597 | 597 |

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

JUNE 30, 2005

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2012 | 4.60 % | 10,000 | 597 | 10,597 |
| April 1, 2013 | | | 367 | 367 |
| October 1, 2013 | 4.75 % | 5,000 | 367 | 5,367 |
| April 1, 2014 | | | 248 | 248 |
| October 1, 2014 | 4.90 % | 5,000 | 248 | 5,248 |
| April 1, 2015 | | | 125 | 125 |
| October 1, 2015 | 5.00 % | 5,000 | 125 | 5,125 |
| | | <u>\$ 245,000</u> | <u>\$ 42,015</u> | <u>\$ 287,015</u> |

CITY OF CADILLAC, MICHIGAN

1993 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS

JUNE 30, 2005

| | | | |
|--|--|-------------------|--|
| <u>TITLE OF ISSUE</u> | City of Cadillac Water Supply and Wastewater System Revenue Refunding Bonds, Series 1993 | | |
| <u>PURPOSE</u> | Paying the cost of refunding a portion of the City's Water Supply and Wastewater System Revenue Bonds, Series 1988 and the City's Water Supply and Wastewater System Revenue Bonds, Series 1989 and to pay the cost of issuance of the Bonds | | |
| <u>DATE OF ISSUE</u> | July 1, 1993 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 1,655,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 855,000 | | |
| During Current Period | <u>185,000</u> | <u>1,040,000</u> | |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | | <u>\$ 615,000</u> | |

| DUE DATES | INTEREST RATES | REQUIREMENTS | | |
|-------------------|-------------------|-------------------|------------------|-------------------|
| | | PRINCIPAL | INTEREST | TOTAL |
| September 1, 2005 | 5.30 % | \$ 190,000 | \$ 16,620 | \$ 206,620 |
| March 1, 2006 | | | 11,585 | 11,585 |
| September 1, 2006 | 5.40 % | 205,000 | 11,585 | 216,585 |
| March 1, 2007 | | | 6,050 | 6,050 |
| September 1, 2007 | 5.50 % | 220,000 | 6,050 | 226,050 |
| | | <u>\$ 615,000</u> | <u>\$ 51,890</u> | <u>\$ 666,890</u> |

CITY OF CADILLAC, MICHIGAN

1995 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE BONDS

JUNE 30, 2005

TITLE OF ISSUE City of Cadillac Water Supply and Wastewater System Revenue Bonds, Series 1995

PURPOSE To defray the cost of acquiring and constructing additions, improvements and extensions to the system. This bond is issued pursuant to an ordinance duly adopted by the City council of the City, under and in full compliance with the charter of the City and the constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended.

DATE OF ISSUE October 30, 1995

AMOUNT OF ISSUE \$ 2,300,000

| | | | |
|-------------------------|---------------|------------------|--|
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 1,940,000 | | |
| During Current Period | <u>80,000</u> | <u>2,020,000</u> | |

| | |
|--|-------------------|
| <u>BALANCE OUTSTANDING</u> - June 30, 2005 | <u>\$ 280,000</u> |
|--|-------------------|

CALL PROVISIONS Scheduled redemption during years 2004-2007, with option to redeem resting with the Issuer, thereafter.

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|-------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| September 1, 2005 | 5.375 % | \$ 95,000 | \$ 7,525 | \$ 102,525 |
| March 1, 2006 | | | 4,972 | 4,972 |
| September 1, 2006 | 5.375 % | 90,000 | 4,972 | 94,972 |
| March 1, 2007 | | | 2,553 | 2,553 |
| September 1, 2007 | 5.375 % | 95,000 | 2,553 | 97,553 |
| | | <u>\$ 280,000</u> | <u>\$ 22,575</u> | <u>\$ 302,575</u> |

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS

JUNE 30, 2005

TITLE OF ISSUE

City of Cadillac Water Supply and Wastewater
System Revenue and Revenue Refunding Bonds,
Series 1999

PURPOSE

To finance the cost of (1) acquiring and constructing
additions, extensions and improvements to the
City's water supply and wastewater system, (2)
refunding the City's Water Supply and Wastewater
System Revenue Bonds, Series 1989, maturing in
the years 2000, 2001 and 2008 on September 1,
1999, (3) refunding the City's Water Supply and
Wastewater System Revenue Bonds, Series 1993,
maturing in the years 2000 through and including
2008 on September 1, 1999, and (4) paying certain
expenses relating to the issuance of the Bonds.

DATE OF ISSUE

May 5, 1999

AMOUNT OF ISSUE

\$ 2,110,000

AMOUNT REDEEMED

Prior to Current Period

\$ 490,000

During Current Period

60,000

550,000

BALANCE OUTSTANDING - June 30, 2005

\$ 1,560,000

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND
REVENUE REFUNDING BONDS

JUNE 30, 2005

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|-------------------|---------------------------|---------------------|-------------------|---------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| September 1, 2005 | 3.95 % | \$ 55,000 | \$ 35,859 | \$ 90,859 |
| March 1, 2006 | | | 34,773 | 34,773 |
| September 1, 2006 | 4.05 % | 60,000 | 34,773 | 94,773 |
| March 1, 2007 | | | 33,557 | 33,557 |
| September 1, 2007 | 4.15 % | 60,000 | 33,557 | 93,557 |
| March 1, 2008 | | | 32,313 | 32,313 |
| September 1, 2008 | 4.25 % | 305,000 | 32,313 | 337,313 |
| March 1, 2009 | | | 25,831 | 25,831 |
| September 1, 2009 | 4.35 % | 5,000 | 25,831 | 30,831 |
| March 1, 2010 | | | 25,723 | 25,723 |
| September 1, 2010 | 4.70 % | 5,000 | 25,723 | 30,723 |
| March 1, 2011 | | | 25,605 | 25,605 |
| September 1, 2011 | 4.70 % | 5,000 | 25,605 | 30,605 |
| March 1, 2012 | | | 25,488 | 25,488 |
| September 1, 2012 | 4.70 % | 5,000 | 25,488 | 30,488 |
| March 1, 2013 | | | 25,370 | 25,370 |
| September 1, 2013 | 4.70 % | 130,000 | 25,370 | 155,370 |
| March 1, 2014 | | | 22,315 | 22,315 |
| September 1, 2014 | 4.70 % | 135,000 | 22,315 | 157,315 |
| March 1, 2015 | | | 19,142 | 19,142 |
| September 1, 2015 | 4.70 % | 145,000 | 19,142 | 164,142 |
| March 1, 2016 | | | 15,735 | 15,735 |
| September 1, 2016 | 4.70 % | 150,000 | 15,735 | 165,735 |
| March 1, 2017 | | | 12,210 | 12,210 |
| September 1, 2017 | 4.85 % | 160,000 | 12,210 | 172,210 |
| March 1, 2018 | | | 8,330 | 8,330 |
| September 1, 2018 | 4.90 % | 165,000 | 8,330 | 173,330 |
| March 1, 2019 | | | 4,287 | 4,287 |
| September 1, 2019 | 4.90 % | 175,000 | 4,287 | 179,287 |
| | | <u>\$ 1,560,000</u> | <u>\$ 657,217</u> | <u>\$ 2,217,217</u> |

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2005

TITLE OF ISSUE City of Cadillac Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001

PURPOSE To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and sewer system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1995, maturing in the years 2008 through and including 2012 on August 22, 2001, and (3) paying certain expenses relating to the issuance of the Bonds.

DATE OF ISSUE August 1, 2001

AMOUNT OF ISSUE \$ 5,215,000

| | | | |
|-------------------------|----|---------------|---------------|
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ | 20,000 | |
| During Current Period | | <u>10,000</u> | <u>30,000</u> |

BALANCE OUTSTANDING - June 30, 2005 \$ 5,185,000

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|-------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| September 1, 2005 | 4.00 % | \$ 10,000 | \$ 127,213 | \$ 137,213 |
| March 1, 2006 | | | 127,013 | 127,013 |
| September 1, 2006 | 4.25 % | 10,000 | 127,013 | 137,013 |
| March 1, 2007 | | | 126,801 | 126,801 |
| September 1, 2007 | 4.25 % | 10,000 | 126,801 | 136,801 |
| March 1, 2008 | | | 126,588 | 126,588 |
| September 1, 2008 | 4.38 % | 105,000 | 126,588 | 231,588 |
| March 1, 2009 | | | 124,291 | 124,291 |
| September 1, 2009 | 4.50 % | 425,000 | 124,292 | 549,292 |
| March 1, 2010 | | | 114,729 | 114,729 |
| September 1, 2010 | 4.63 % | 450,000 | 114,729 | 564,729 |
| March 1, 2011 | | | 104,322 | 104,322 |

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS

JUNE 30, 2005

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|-------------------|---------------------------|---------------------|---------------------|---------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| September 1, 2011 | 4.75 % | 480,000 | 104,322 | 584,322 |
| March 1, 2012 | | | 92,923 | 92,923 |
| September 1, 2012 | 4.75 % | 505,000 | 92,923 | 597,923 |
| March 1, 2013 | | | 80,929 | 80,929 |
| September 1, 2013 | 4.60 % | 80,000 | 80,929 | 160,929 |
| March 1, 2014 | | | 79,089 | 79,089 |
| September 1, 2014 | 4.75 % | 85,000 | 79,089 | 164,089 |
| March 1, 2015 | | | 77,070 | 77,070 |
| September 1, 2015 | 4.80 % | 100,000 | 77,070 | 177,070 |
| March 1, 2016 | | | 74,670 | 74,670 |
| September 1, 2016 | 5.00 % | 100,000 | 74,670 | 174,670 |
| March 1, 2017 | | | 72,170 | 72,170 |
| September 1, 2017 | 5.00 % | 100,000 | 72,170 | 172,170 |
| March 1, 2018 | | | 69,670 | 69,670 |
| September 1, 2018 | 5.00 % | 105,000 | 69,670 | 174,670 |
| March 1, 2019 | | | 67,045 | 67,045 |
| September 1, 2019 | 5.10 % | 115,000 | 67,045 | 182,045 |
| March 1, 2020 | | | 64,112 | 64,112 |
| September 1, 2020 | 5.10 % | 305,000 | 64,112 | 369,112 |
| March 1, 2021 | | | 56,335 | 56,335 |
| September 1, 2021 | 5.10 % | 320,000 | 56,335 | 376,335 |
| March 1, 2022 | | | 48,175 | 48,175 |
| September 1, 2022 | 5.125 % | 340,000 | 48,175 | 388,175 |
| March 1, 2023 | | | 39,463 | 39,463 |
| September 1, 2023 | 5.125 % | 355,000 | 39,463 | 394,463 |
| March 1, 2024 | | | 30,366 | 30,366 |
| September 1, 2024 | 5.125 % | 375,000 | 30,366 | 405,366 |
| March 1, 2025 | | | 20,756 | 20,756 |
| September 1, 2025 | 5.125 % | 395,000 | 20,756 | 415,756 |
| March 1, 2026 | | | 10,634 | 10,634 |
| September 1, 2026 | 5.125 % | 415,000 | 10,634 | 425,634 |
| | | <u>\$ 5,185,000</u> | <u>\$ 3,341,516</u> | <u>\$ 8,526,516</u> |

CITY OF CADILLAC, MICHIGAN

1994 BUILDING AUTHORITY BONDS

JUNE 30, 2005

| | | | |
|--|--|------------------|------------------|
| <u>TITLE OF ISSUE</u> | 1994 Building Authority Bonds | | |
| <u>PURPOSE</u> | For the purpose of defraying the cost of acquiring and constructing a new office building in the City, together with the land and site improvements therefor, and all appurtenances and attachments thereto. | | |
| <u>DATE OF ISSUE</u> | December 1, 1994 | | |
| <u>AMOUNT OF ISSUE</u> | \$ 1,740,000 | | |
| <u>AMOUNT REDEEMED</u> | | | |
| Prior to Current Period | \$ 1,585,000 | | |
| During Current Period | <u>75,000</u> | <u>1,660,000</u> | |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | | | <u>\$ 80,000</u> |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 6.20 % | <u>\$ 80,000</u> | <u>\$ 2,480</u> | <u>\$ 82,480</u> |

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS

JUNE 30, 2005

| | |
|--|--|
| <u>TITLE OF ISSUE</u> | City of Cadillac Building Authority 1997 Building Authority Bonds |
| <u>PURPOSE</u> | Paying all or part of the cost of public parking lot improvements in the City of Cadillac |
| <u>DATE OF ISSUE</u> | December 1, 1997 |
| <u>AMOUNT OF ISSUE</u> | \$ 310,000 |
| <u>AMOUNT REDEEMED</u> | |
| Prior to Current Period | \$ 85,000 |
| During Current Period | <u>20,000</u> |
| | <u>105,000</u> |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | <u>\$ 205,000</u> |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|------------------|-------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 4.90 % | \$ 20,000 | \$ 5,218 | \$ 25,218 |
| April 1, 2006 | | | 4,728 | 4,728 |
| October 1, 2006 | 4.95 % | 20,000 | 4,728 | 24,728 |
| April 1, 2007 | | | 4,234 | 4,234 |
| October 1, 2007 | 5.00 % | 25,000 | 4,234 | 29,234 |
| April 1, 2008 | | | 3,609 | 3,609 |
| October 1, 2008 | 5.05 % | 25,000 | 3,609 | 28,609 |
| April 1, 2009 | | | 2,978 | 2,978 |
| October 1, 2009 | 5.10 % | 25,000 | 2,978 | 27,978 |
| April 1, 2010 | | | 2,340 | 2,340 |
| October 1, 2010 | 5.15 % | 30,000 | 2,340 | 32,340 |
| April 1, 2011 | | | 1,568 | 1,568 |
| October 1, 2011 | 5.20 % | 30,000 | 1,568 | 31,568 |
| April 1, 2012 | | | 788 | 788 |
| October 1, 2012 | 5.25 % | 30,000 | 788 | 30,788 |
| | | <u>\$ 205,000</u> | <u>\$ 45,708</u> | <u>\$ 250,708</u> |

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2005

| | |
|--|--|
| <u>TITLE OF ISSUE</u> | 1999 Building Authority Refunding Bonds |
| <u>PURPOSE</u> | For the purpose of advance refunding the 1994 Building Authority Bonds dated December 1, 1994 maturing in the years 2006 through and including 2015 on October 1, 1999 |
| <u>DATE OF ISSUE</u> | February 2, 1999 |
| <u>AMOUNT OF ISSUE</u> | \$ 1,265,000 |
| <u>AMOUNT REDEEMED</u> | |
| Prior to Current Period | \$ 55,000 |
| During Current Period | 15,000 |
| | <u>70,000</u> |
| <u>BALANCE OUTSTANDING - June 30, 2005</u> | <u>\$ 1,195,000</u> |

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-----------------|--------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2005 | 4.05 % | \$ 15,000 | \$ 26,491 | \$ 41,491 |
| April 1, 2006 | | | 26,188 | 26,188 |
| October 1, 2006 | 4.10 % | 100,000 | 26,188 | 126,188 |
| April 1, 2007 | | | 24,138 | 24,138 |
| October 1, 2007 | 4.20 % | 105,000 | 24,138 | 129,138 |
| April 1, 2008 | | | 21,933 | 21,933 |
| October 1, 2008 | 4.25 % | 105,000 | 21,933 | 126,933 |
| April 1, 2009 | | | 19,701 | 19,701 |
| October 1, 2009 | 4.30 % | 110,000 | 19,701 | 129,701 |
| April 1, 2010 | | | 17,336 | 17,336 |
| October 1, 2010 | 4.35 % | 115,000 | 17,336 | 132,336 |
| April 1, 2011 | | | 14,835 | 14,835 |
| October 1, 2011 | 4.60 % | 115,000 | 14,835 | 129,835 |
| April 1, 2012 | | | 12,190 | 12,190 |

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS

JUNE 30, 2005

| <u>DUE DATES</u> | <u>INTEREST RATES</u> | <u>REQUIREMENTS</u> | | |
|------------------|---------------------------|---------------------|-------------------|---------------------|
| | | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
| October 1, 2012 | 4.60 % | 125,000 | 12,190 | 137,190 |
| April 1, 2013 | | | 9,315 | 9,315 |
| October 1, 2013 | 4.60 % | 130,000 | 9,315 | 139,315 |
| April 1, 2014 | | | 6,325 | 6,325 |
| October 1, 2014 | 4.60 % | 135,000 | 6,325 | 141,325 |
| April 1, 2015 | | | 3,220 | 3,220 |
| October 1, 2015 | 4.60 % | 140,000 | 3,220 | 143,220 |
| | | <u>\$ 1,195,000</u> | <u>\$ 336,853</u> | <u>\$ 1,531,853</u> |

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2004 TAX ROLL
JUNE 30, 2005

| | TAXABLE VALUATION | MILLS LEVIED | TAXES ASSESSED | TAXES COLLECTED | TAXES RETURNED DELINQUENT |
|--|----------------------|-----------------|---------------------|---------------------|---------------------------------|
| Wexford County | \$ 188,170,526 | 8.0893 | \$ 1,521,791 | \$ 1,425,021 | \$ 96,770 |
| Cadillac Area Public Schools | | | | | |
| Operating | 100,245,607 | 17.5505 | 1,759,336 | 1,673,292 | 86,044 |
| Debt Retirement | 188,170,526 | 3.9000 | 733,651 | 697,067 | 36,584 |
| State Education Tax | 188,170,526 | 6.0000 | 1,129,008 | 1,089,854 | 39,154 |
| Wexford-Missaukee Intermediate School District | 188,170,526 | 5.9853 | 1,125,636 | 1,052,984 | 72,652 |
| Cadillac-Wexford Transit Authority | 188,170,526 | 0.3960 | 74,473 | 69,661 | 4,812 |
| Cadillac-Wexford Public Library | 188,170,526 | 0.6825 | 128,370 | 120,076 | 8,294 |
| Wexford County Council on Aging | 188,170,526 | 0.9942 | 187,010 | 174,925 | 12,085 |
| City of Cadillac | | | | | |
| General Fund | 188,170,526 | 13.9473 | 2,623,841 | 2,534,081 | 89,760 |
| Policemen and Firemen | | | | | |
| Retirement System | 188,170,526 | 1.8000 | 338,612 | 326,942 | 11,670 |
| Public Improvement | | | | | |
| Special Assessments | | | 248,144 | 225,612 | 22,532 |
| Water and Sewer Delinquent Accounts | | | 8,859 | 7,230 | 1,629 |
| Unpaid Invoices | | | 1,073 | 686 | 387 |
| Razed Buildings | | | 5,300 | 0 | 5,300 |
| Administration Fees | | | 113,962 | 108,559 | 5,403 |
| | | | <u>\$ 9,999,066</u> | <u>\$ 9,505,990</u> | <u>\$ 493,076</u> |

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2004 TAX ROLL
JUNE 30, 2005

| | TAXABLE VALUATION | MILLS LEVIED | TAXES ASSESSED | TAXES RETURNED DELINQUENT | TAXES COLLECTED | LESS TAXES CAPTURED BY LDFA | NET COLLECTIONS DUE TO UNITS |
|-------------------------------------|----------------------|-----------------|-------------------|---------------------------------|--------------------|--------------------------------------|------------------------------------|
| Wexford County | \$ 13,876,588 | 8.0893 | \$ 112,252 | \$ 0 | \$ 112,252 | \$ (110,843) | \$ 1,409 |
| Cadillac Area Public Schools | | | | | | | |
| Operating | 13,876,588 | 17.5505 | 243,541 | 0 | 243,541 | (240,484) | 3,057 |
| Debt Retirement | 13,876,588 | 3.9000 | 54,119 | 0 | 54,119 | 0 | 54,119 |
| State Education Tax | 13,876,588 | 6.0000 | 83,260 | 0 | 83,260 | (82,214) | 1,046 |
| Wexford-Missaukee Intermediate | | | | | | | |
| School District | 13,876,588 | 5.9853 | 83,056 | 0 | 83,056 | (82,013) | 1,043 |
| Cadillac-Wexford Transit Authority | 13,876,588 | 0.3960 | 5,495 | 0 | 5,495 | (5,426) | 69 |
| Cadillac-Wexford Public Library | 13,876,588 | 0.6825 | 9,471 | 0 | 9,471 | (9,352) | 119 |
| Wexford County Council on Aging | 13,876,588 | 0.9942 | 13,796 | 0 | 13,796 | (13,623) | 173 |
| Local Development Finance Authority | | | | | | | |
| Capture | (13,702,388) | 55.4451 | 0 | 0 | 0 | 759,730 | 759,730 |
| Groundwater Treatment | | | | | | | |
| Special Assessments | | | 196,482 | 2,130 | 194,352 | 0 | 194,352 |
| City of Cadillac | | | | | | | |
| General Fund | 13,876,588 | 13.9473 | 193,541 | 0 | 193,541 | (191,111) | 2,430 |
| Policemen and Firemen | | | | | | | |
| Retirement System | 13,876,588 | 1.8000 | 24,978 | 0 | 24,978 | (24,664) | 314 |
| | | | \$ 1,019,991 | \$ 2,130 | \$ 1,017,861 | \$ 0 | \$ 1,017,861 |

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2004 TAX ROLL
JUNE 30, 2005

| | TAXABLE VALUATION | MILLS LEVIED | TAXES ASSESSED | TAXES RETURNED DELINQUENT | TAXES COLLECTED | LESS TAXES CAPTURED BY DDA | NET COLLECTIONS DUE TO UNITS |
|--|----------------------|-----------------|-------------------|---------------------------------|--------------------|-------------------------------------|------------------------------------|
| Wexford County | \$ 16,082,462 | 8.0893 | \$ 130,096 | \$ 9,021 | \$ 121,075 | \$ (34,830) | \$ 86,245 |
| Cadillac Area Public Schools | | | | | | | |
| Operating | 16,082,462 | 17.5505 | 282,255 | 19,572 | 262,683 | 0 | 262,683 |
| Debt Retirement | 16,082,462 | 3.9000 | 62,722 | 4,349 | 58,373 | 0 | 58,373 |
| State Education Tax | 16,082,462 | 6.0000 | 96,495 | 6,691 | 89,804 | 0 | 89,804 |
| Wexford-Missaukee Intermediate | | | | | | | |
| School District | 16,082,462 | 5.9853 | 96,258 | 6,675 | 89,583 | 0 | 89,583 |
| Cadillac-Wexford Transit Authority | 16,082,462 | 0.3960 | 6,369 | 442 | 5,927 | (1,705) | 4,222 |
| Cadillac-Wexford Public Library | 16,082,462 | 0.6825 | 10,976 | 761 | 10,215 | (2,939) | 7,276 |
| Wexford County Council on Aging | 16,082,462 | 0.9942 | 15,989 | 1,109 | 14,880 | (4,281) | 10,599 |
| Downtown Development Authority | | | | | | | |
| Special Assessments | 16,082,462 | 1.9548 | 31,135 | 2,159 | 28,976 | 0 | 28,976 |
| Capture | (4,427,912) | 25.9093 | 0 | 0 | 0 | 111,556 | 111,556 |
| City of Cadillac | | | | | | | |
| General Fund | 16,082,462 | 13.9473 | 224,307 | 15,554 | 208,753 | (60,051) | 148,702 |
| Policemen and Firemen Retirement System | 16,082,462 | 1.8000 | 28,948 | 2,007 | 26,941 | (7,750) | 19,191 |
| | | | \$ 985,550 | \$ 68,340 | \$ 917,210 | \$ 0 | \$ 917,210 |

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2004 TAX ROLL
JUNE 30, 2005

| | TAXABLE VALUATION | MILLS LEVIED | TAXES ASSESSED | TAXES RETURNED DELINQUENT | TAXES COLLECTED | LESS TAXES CAPTURED BY BROWNFIELD | NET COLLECTIONS DUE TO UNITS |
|---|----------------------|-----------------|-------------------|---------------------------------|--------------------|---|------------------------------------|
| Wexford County | \$ 5,174 | 8.08930 | \$ 42 | \$ 0 | \$ 42 | \$ (42) | \$ 0 |
| Cadillac Area Public Schools | | | | | | | |
| Operating | 53,600 | 17.55050 | 941 | 0 | 941 | (941) | 0 |
| Debt Retirement | 5,174 | 3.90000 | 20 | 0 | 20 | 0 | 20 |
| State Education Tax | 5,174 | 6.00000 | 31 | 0 | 31 | 0 | 31 |
| Wexford-Missaukee Intermediate | | | | | | | |
| School District | 61,126 | 5.98530 | 366 | 0 | 366 | (366) | 0 |
| Cadillac-Wexford Transit Authority | 5,174 | 0.39600 | 2 | 0 | 2 | (2) | 0 |
| Cadillac-Wexford Public Library | 5,174 | 0.68250 | 4 | 0 | 4 | (4) | 0 |
| Wexford County Council on Aging | 5,174 | 0.99420 | 5 | 0 | 5 | (5) | 0 |
| Brownfield Redevelopment District Capture | | | | | | | |
| Intermediated School District | 61,126 | 5.98530 | 0 | 0 | 0 | 366 | 366 |
| Cadillac Area Public Schools | 53,600 | 17.55050 | 0 | 0 | 0 | 941 | 941 |
| All Other Levies | 5,174 | 31.89460 | 0 | 0 | 0 | 134 | 134 |
| City of Cadillac | | | | | | | |
| General Fund | 5,174 | 13.94730 | 72 | 0 | 72 | (72) | 0 |
| Policemen and Firemen | | | | | | | |
| Retirement System | 5,174 | 1.80000 | 9 | 0 | 9 | (9) | 0 |
| | | | \$ 1,492 | \$ 0 | \$ 1,492 | \$ 0 | \$ 1,492 |

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2004 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2005

| | TAXABLE VALUATION | MILLS LEVIED | TAXES ASSESSED | TAXES COLLECTED | TAXES RETURNED DELINQUENT |
|---|----------------------|-----------------|-------------------|--------------------|---------------------------------|
| Wexford County | \$ 26,604,195 | 4.04465 | \$ 107,602 | \$ 107,504 | \$ 98 |
| Cadillac Area Public Schools | | | | | |
| Operating (State Share) | | | | | |
| Prior to Proposal A | 7,171,695 | 16.60000 | 119,050 | 119,050 | 0 |
| After Proposal A | 19,127,200 | 8.77525 | 167,843 | 167,630 | 213 |
| Debt Retirement | 26,604,195 | 1.95000 | 51,876 | 51,829 | 47 |
| State Education Tax | 17,035,200 | 6.00000 | 102,211 | 102,065 | 146 |
| Wexford-Missaukee Intermediate School District | | | | | |
| Operating (State Share) | 26,604,195 | 2.99265 | 79,615 | 79,542 | 73 |
| Cadillac-Wexford Transit Authority | 26,604,195 | 0.19800 | 5,267 | 5,262 | 5 |
| Cadillac-Wexford Public Library | 26,604,195 | 0.34125 | 9,077 | 9,069 | 8 |
| Wexford County Council on Aging | 26,604,195 | 0.49710 | 13,224 | 13,212 | 12 |
| City of Cadillac | | | | | |
| General Fund | 26,604,195 | 6.97365 | 185,526 | 185,357 | 169 |
| Policemen and Firemen | | | | | |
| Retirement System | 26,604,195 | 0.90000 | 23,944 | 23,922 | 22 |
| Administration Fees | | | 8,890 | 8,882 | 8 |
| | | | <u>\$ 874,125</u> | <u>\$ 873,324</u> | <u>\$ 801</u> |

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2004 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2005

| | TAXABLE VALUATION | MILLS LEVIED | TAXES ASSESSED | TAXES RETURNED DELINQUENT | TAXES COLLECTED | LESS TAXES CAPTURED BY LDFA | NET COLLECTIONS DUE TO UNITS |
|---|----------------------|-----------------|-------------------|---------------------------------|--------------------|--------------------------------------|------------------------------------|
| Wexford County | \$ 593,200 | 4.05200 | \$ 2,399 | \$ 0 | \$ 2,399 | \$ (2,399) | \$ 0 |
| Cadillac Area Public Schools | | | | | | | |
| Operating (State Share) | | | | | | | |
| Prior to Proposal A | (305,301) | 16.60000 | 0 | 0 | 0 | 5,068 | 5,068 |
| After Proposal A | 898,500 | 8.77525 | 7,885 | 0 | 7,885 | (7,885) | 0 |
| Debt Retirement | 593,200 | 1.87500 | 1,157 | 0 | 1,157 | 0 | 1,157 |
| State Education Tax | 898,500 | 5.00000 | 5,391 | 0 | 5,391 | (5,391) | 0 |
| Wexford-Missaukee Intermediate School District | | | | | | | |
| Operating (State Share) | 593,200 | 3.00015 | 1,775 | 0 | 1,775 | (1,775) | 0 |
| Cadillac-Wexford Transit Authority | 593,200 | 0.19550 | 117 | 0 | 117 | (117) | 0 |
| Cadillac-Wexford Public Library | 593,200 | 0.34190 | 202 | 0 | 202 | (202) | 0 |
| Wexford County Council on Aging | 593,200 | 0.49360 | 295 | 0 | 295 | (295) | 0 |
| Brownfield Redevelopment District | | | | | | | |
| Capture | | | 0 | 0 | 0 | 17,667 | 17,667 |
| City of Cadillac | | | | | | | |
| General Fund | 593,200 | 6.97365 | 4,137 | 0 | 4,137 | (4,137) | 0 |
| Policemen and Firemen Retirement System | 593,200 | 0.80000 | 534 | 0 | 534 | (534) | 0 |
| | | | \$ 23,892 | \$ 0 | \$ 23,892 | \$ 0 | \$ 23,892 |

CITY OF CADILLAC, MICHIGAN

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
FOR THE FISCAL YEARS 1996 THROUGH 2005

| <u>FISCAL YEAR</u> | <u>GENERAL GOVERNMENT</u> | <u>PUBLIC SAFETY</u> | <u>PUBLIC WORKS</u> |
|------------------------|-------------------------------|--------------------------|-------------------------|
| 1996 | \$ 1,106,832 | \$ 2,172,555 | \$ 1,593,079 |
| 1997 | 1,147,979 | 2,393,172 | 2,171,414 |
| 1998 | 1,243,528 | 2,437,941 | 1,929,315 |
| 1999 | 1,334,440 | 2,473,027 | 2,144,587 |
| 2000 | 1,345,093 | 2,748,774 | 1,725,089 |
| 2001 | 1,485,144 | 2,713,177 | 2,795,225 |
| 2002 | 1,575,793 | 2,603,464 | 2,033,717 |
| 2003 | 1,363,001 | 2,670,927 | 2,560,945 |
| 2004 | 1,891,316 | 2,824,591 | 2,115,134 |
| 2005 | 1,673,451 | 3,132,114 | 2,621,945 |

NOTES:

(1) Includes General Fund, Special Revenue, Debt Service and Capital Projects Funds

(2) Principal, interest and fiscal charges

| CULTURE AND RECREATION | (2) DEBT SERVICE | OTHER FUNCTIONS | TOTAL |
|------------------------------|------------------------|--------------------|--------------|
| \$ 118,962 | \$ 441,912 | \$ 470,391 | \$ 5,903,731 |
| 128,461 | 536,241 | 454,572 | 6,831,839 |
| 140,278 | 623,644 | 995,138 | 7,369,844 |
| 135,505 | 661,464 | 1,091,352 | 7,840,375 |
| 189,685 | 866,372 | 761,783 | 7,636,796 |
| 280,963 | 562,250 | 739,863 | 8,576,622 |
| 344,621 | 624,641 | 892,335 | 8,074,571 |
| 654,700 | 411,107 | 790,723 | 8,451,403 |
| 354,368 | 416,044 | 903,041 | 8,504,494 |
| 418,927 | 450,277 | 621,784 | 8,918,498 |

CITY OF CADILLAC, MICHIGAN

GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)
FOR THE FISCAL YEARS 1996 THROUGH 2005

| <u>FISCAL YEAR</u> | <u>TAXES</u> | <u>LICENSES AND PERMITS</u> | <u>INTERGOVERNMENTAL REVENUES</u> | <u>CHARGES FOR SERVICES</u> |
|------------------------|--------------|-------------------------------------|---------------------------------------|-------------------------------------|
| 1996 | \$ 2,770,194 | \$ 39,171 | \$ 1,995,427 | \$ 574,112 |
| 1997 | 2,828,652 | 52,919 | 2,296,999 | 680,699 |
| 1998 | 2,907,263 | 49,789 | 2,639,947 | 704,540 |
| 1999 | 3,019,776 | 67,702 | 3,282,445 | 778,014 |
| 2000 | 3,020,518 | 1,935 | 2,711,794 | 785,258 |
| 2001 | 3,076,836 | 1,700 | 3,407,375 | 789,248 |
| 2002 | 3,169,173 | 1,455 | 2,429,696 | 799,010 |
| 2003 | 3,432,606 | 940 | 3,465,729 | 931,470 |
| 2004 | 3,752,186 | 1,390 | 2,615,240 | 919,017 |
| 2005 | 3,851,994 | 1,160 | 2,817,749 | 921,931 |

NOTES:

- (1) Includes General Fund, Special Revenue, Debt Service and Capital Projects Funds
- (2) Private contributions from industries for expansion grants totalled \$4,777,106.

| FINES AND FORFEITS | | OTHER REVENUE | | TOTAL | |
|-----------------------|--------|------------------|-----------|-------|-----------|
| \$ | 29,546 | \$ | 647,059 | \$ | 6,055,509 |
| | 28,681 | | 781,959 | | 6,669,909 |
| | 37,172 | | 912,127 | | 7,250,838 |
| | 29,288 | | 779,805 | | 7,957,030 |
| | 27,962 | | 1,685,484 | | 8,232,951 |
| | 27,175 | | 984,063 | | 8,286,397 |
| | 29,316 | | 772,557 | | 7,201,207 |
| | 28,226 | | 889,265 | | 8,748,236 |
| | 36,247 | | 751,307 | | 8,075,387 |
| | 35,306 | | 560,208 | | 8,188,348 |

CITY OF CADILLAC, MICHIGAN

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
FOR THE FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | GENERAL FUND | | | TOTAL FUND BALANCE AS PERCENT OF EXPENDITURES |
|----------------|--|--------------------------|------------------------|--|
| | RESERVED AND DESIGNATED FUND BALANCE | TOTAL FUND BALANCE | ANNUAL EXPENDITURES | |
| 1996 | \$ 795,707 | \$ 795,707 | \$ 4,251,400 | 18.72 |
| 1997 | 908,523 | 908,523 | 4,437,638 | 20.47 |
| 1998 | 991,107 | 991,107 | 4,651,684 | 21.31 |
| 1999 | 964,551 | 964,551 | 4,886,393 | 19.74 |
| 2000 | 1,077,849 | 1,077,849 | 5,081,170 | 21.00 |
| 2001 | 910,158 | 910,158 | 5,256,920 | 17.31 |
| 2002 | 712,634 | 712,634 | 5,092,484 | 13.99 |
| 2003 | 1,138,710 | 1,138,710 | 4,922,858 | 23.13 |
| 2004 | 1,360,947 | 1,360,947 | 5,614,347 | 24.24 |
| 2005 | 1,302,489 | 1,302,489 | 5,920,941 | 22.00 |

CITY OF CADILLAC, MICHIGAN

PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE FISCAL YEARS 1996 THROUGH 2005

| TAX ROLL | FISCAL YEAR | TAX LEVY | | | |
|-------------|----------------|-------------------|---------------------------------|---------------------------------|---------------|
| | | TAXES ASSESSED | (2) INDUSTRIAL FACILITIES | (3) COMMERCIAL FACILITIES | TOTAL LEVY |
| 1995 | 1996 | \$ 2,342,858 | \$ 276,988 | \$ 2,564 | \$ 2,622,410 |
| 1996 | 1997 | 2,404,555 | 272,165 | 2,223 | 2,678,943 |
| 1997 | 1998 | 2,508,861 | 251,845 | 71 | 2,760,777 |
| 1998 | 1999 | 2,539,614 | 245,814 | 0 | 2,785,428 |
| 1999 | 2000 | 2,635,349 | 243,683 | 0 | 2,879,032 |
| 2000 | 2001 | 2,813,834 | 293,767 | 0 | 3,107,601 |
| 2001 | 2002 | 2,897,188 | 269,852 | 0 | 3,167,040 |
| 2002 | 2003 | 2,989,927 | 275,171 | 0 | 3,265,098 |
| 2003 | 2004 | 3,260,095 | 221,580 | 0 | 3,481,675 |
| 2004 | 2005 | 3,434,308 | 214,141 | 0 | 3,648,449 |

NOTES:

- (1) Wexford County pays the City of Cadillac the full amount of delinquent real property taxes upon settlement in the subsequent March of each year. Delinquent personal property taxes are negligible. This revolving tax fund began in 1977.
- (2) Industrial facilities tax exempts 50% of industrial tax for new construction (P.A. 198 of 1974).
- (3) Commercial facilities tax exempts 50% of commercial tax for new and remodeled facilities (P.A. 255).
- (4) In 1977 the Wexford County Treasurer began pooling all delinquent taxes together and financing delinquencies through bond sales. The proceeds from the bond sale are paid to the City giving the effect of 100% tax collection in a given year. The responsibility for the collection of the delinquent tax is shifted to the county treasurer.

| TAXES COLLECTED (1) | | | | | (4) | |
|---------------------|---------------------------------|---------------------------------|--------------------|-------------------------|-----------------------------------|---|
| TAXES | (2) INDUSTRIAL FACILITIES | (3) COMMERCIAL FACILITIES | TOTAL COLLECTED | PERCENTAGE COLLECTED | DELINQUENT TAXES RECEIVABLE | |
| \$ 2,215,464 | \$ 276,988 | \$ 2,564 | \$ 2,495,016 | 95.14 | \$ | 0 |
| 2,276,015 | 272,165 | 2,223 | 2,550,403 | 95.20 | | 0 |
| 2,363,299 | 250,750 | 71 | 2,614,120 | 94.69 | | 0 |
| 2,396,889 | 244,748 | 0 | 2,641,637 | 94.84 | | 0 |
| 2,497,183 | 243,683 | 0 | 2,740,866 | 95.20 | | 0 |
| 2,657,211 | 293,767 | 0 | 2,950,978 | 94.96 | | 0 |
| 2,759,737 | 269,726 | 0 | 3,029,463 | 95.66 | | 0 |
| 2,860,970 | 275,171 | 0 | 3,136,141 | 96.05 | | 0 |
| 3,142,650 | 221,580 | 0 | 3,364,230 | 96.63 | | 0 |
| 3,315,317 | 213,950 | 0 | 3,529,267 | 96.73 | | 0 |

CITY OF CADILLAC, MICHIGAN

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE FISCAL YEARS 1996 THROUGH 2005

| FISCAL (2) YEAR | REAL PROPERTY VALUATION | PERSONAL PROPERTY VALUATION | (1) TOTAL TAXABLE VALUATION | ESTIMATED ACTUAL VALUE | RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE |
|--------------------|-------------------------------|-----------------------------------|--------------------------------------|------------------------------|---|
| | | | | | |
| 1995-1996 | \$ 126,211,933 | \$ 27,596,800 | \$ 153,808,733 | \$ 376,918,846 | 40.81% |
| 1996-1997 | 130,428,194 | 31,998,600 | 162,426,794 | 391,131,998 | 41.53% |
| 1997-1998 | 134,086,505 | 32,023,100 | 166,109,605 | 397,886,136 | 41.75% |
| 1998-1999 | 138,456,334 | 35,290,222 | 173,746,556 | 411,683,512 | 42.20% |
| 1999-2000 | 143,791,718 | 33,979,991 | 177,771,709 | 398,922,200 | 44.56% |
| 2000-2001 | 153,053,692 | 35,377,232 | 188,430,924 | 429,828,200 | 43.84% |
| 2001-2002 | 165,243,210 | 31,372,200 | 196,615,410 | 470,913,500 | 41.75% |
| 2002-2003 | 168,351,258 | 43,240,100 | 211,591,358 | 508,916,600 | 41.58% |
| 2003-2004 | 178,542,129 | 42,307,800 | 220,849,929 | 544,632,400 | 40.55% |
| 2004-2005 | 185,109,673 | 44,399,000 | 229,508,673 | 576,030,400 | 39.84% |

NOTES:

- (1) Includes industrial and commercial facilities tax.
- (2) In Michigan, tax day is December 31st, prior to the beginning of the fiscal year. Taxes are mailed July 1st of the fiscal year to cover the period from July 1st through June 30th.

CITY OF CADILLAC, MICHIGAN

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)

FOR THE FISCAL YEARS 1996 THROUGH 2005

| <u>FISCAL YEAR</u> | <u>DIRECT TAX RATES</u> <u>CITY OF CADILLAC</u> | | |
|------------------------|--|---|-----------------------|
| | <u>GENERAL</u> | <u>POLICE & FIRE RETIREMENT</u> | <u>TOTAL CITY</u> |
| 1996 | 13.9200 | 1.60 | 15.5200 |
| 1997 | 13.9600 | 1.50 | 15.4600 |
| 1998 | 13.9600 | 1.30 | 15.2600 |
| 1999 | 14.0900 | 1.10 | 15.1900 |
| 2000 | 14.0371 | 1.00 | 15.0371 |
| 2001 | 13.9907 | 1.00 | 14.9907 |
| 2002 | 13.9473 | 1.40 | 15.3473 |
| 2003 | 13.9473 | 1.60 | 15.5473 |
| 2004 | 13.9473 | 1.80 | 15.7473 |
| 2005 | 13.9473 | 1.80 | 15.7473 |

NOTES:

- (1) Includes county millage at 8.3718, Cadillac-Wexford Transit Authority at .3772, Council on Aging at .4, and Library at .50.
- (2) Includes county millage at 8.3718, Cadillac-Wexford Transit Authority at 0.4, Council on Aging at 1.0 and Library at .5.
- (3) Includes school operational millage and school debt.
- (4) Includes county millage at 8.3383 Cadillac-Wexford Transit Authority at 0.3984, Council on Aging at 0.9960 and Library at 0.55.

| OVERLAPPING TAX RATES | | | | STATE EDUCATION TAX | DIRECT AND OVERLAPPING TOTAL ANNUAL TAX RATE |
|-----------------------|---|--|--------|---------------------------|--|
| WEXFORD COUNTY | (3) CADILLAC AREA PUBLIC SCHOOLS | WEXFORD MISSAUKEE INTERMEDIATE SCHOOL | | | |
| 9.6490 | (1) | 23.6500 | 6.1500 | 6.00 | 60.9690 |
| 9.6490 | (1) | 23.1000 | 6.1500 | 6.00 | 60.3590 |
| 10.2718 | (2) | 22.4000 | 6.1500 | 6.00 | 60.0818 |
| 10.2827 | (4) | 22.2717 | 6.1232 | 6.00 | 59.8676 |
| 10.1908 | (5) | 20.5594 | 6.0882 | 6.00 | 57.8755 |
| 10.1860 | (6) | 21.7149 | 6.0882 | 6.00 | 58.9798 |
| 10.2128 | (7) | 21.3763 | 6.0388 | 6.00 | 58.9752 |
| 10.1660 | (8) | 21.3005 | 6.0000 | 5.00 | 58.0138 |
| 10.1620 | (9) | 21.4505 | 5.9853 | 6.00 | 59.3451 |
| N/A | | N/A | N/A | N/A | N/A |

- (5) Includes county millage at 8.2506, Cadillac-Wexford Transit Authority at 0.3942, Council on Aging at 0.9960 and Library at 0.55.
- (6) Includes county millage at 8.2506, Cadillac-Wexford Transit Authority at 0.3942, Council on Aging at 0.9913 and Library at 0.55.
- (7) Includes county millage at 8.1678, Cadillac-Wexford Transit Authority at 0.4000, Council on Aging at 0.995 and Library at 0.65.
- (8) Includes county millage at 8.1040, Cadillac-Wexford Transit Authority at 0.3910, Council on Aging at 0.9872 and Library at 0.6838.
- (9) Includes county millage at 8.0893, Cadillac-Wexford Transit Authority at 0.3960, Council on Aging at 0.9942 and Library at 0.6825.

CITY OF CADILLAC, MICHIGAN

SPECIAL ASSESSMENT COLLECTIONS
FOR THE FISCAL YEARS 1996 THROUGH 2005

| <u>TAX ROLL</u> | <u>FISCAL YEAR</u> | <u>CURRENT PUBLIC IMPROVEMENT ASSESSMENTS DUE</u> | <u>CURRENT PUBLIC IMPROVEMENT ASSESSMENTS COLLECTED</u> | <u>(1) RATIO OF COLLECTIONS TO AMOUNT DUE</u> | <u>TOTAL OUTSTANDING PUBLIC IMPROVEMENT ASSESSMENTS</u> |
|---------------------|------------------------|---|---|---|---|
| 1995 | 1996 | \$ 258,717 | \$ 223,851 | 86.52 | \$ 1,445,360 |
| 1996 | 1997 | 267,100 | 234,321 | 87.73 | 1,568,364 |
| 1997 | 1998 | 288,711 | 248,555 | 86.09 | 1,647,000 |
| 1998 | 1999 | 310,980 | 275,232 | 88.50 | 1,445,000 |
| 1999 | 2000 | 304,449 | 259,932 | 85.38 | 1,205,000 |
| 2000 | 2001 | 301,958 | 248,413 | 82.27 | 1,062,474 |
| 2001 | 2002 | 364,473 | 282,455 | 77.50 | 1,240,000 |
| 2002 | 2003 | 492,544 | 375,427 | 76.22 | 1,429,525 |
| 2003 | 2004 | 472,148 | 408,272 | 86.47 | 1,017,557 |
| 2004 | 2005 | 444,626 | 419,964 | 94.45 | 1,133,462 |

NOTE:

- (1) In 1977, the Wexford County Treasurer began pooling all delinquent taxes together and financing delinquencies through bond sales. The proceeds from the bond sale are paid to the City giving the effect of 100% tax collection in a given year. The responsibility for the collection of the delinquent tax is shifted to the county treasurer.

CITY OF CADILLAC, MICHIGAN

RATIO OF NET GENERAL BONDED DEBT
TO TAXABLE VALUE AND NET BONDED DEBT PER CAPITA

FOR THE FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | (1) POPULATION | TAXABLE VALUE (IN THOUSANDS) | GROSS BONDED DEBT | (2) DEBT SERVICE MONIES AVAILABLE | SPECIAL ASSESSMENT AND REVENUE BONDS PAYABLE |
|----------------|-------------------|------------------------------------|-------------------------|--|--|
| 1996 | 10,104 | \$ 153,809 | \$ 9,815,000 | \$ 9,058 | \$ 9,050,000 |
| 1997 | 10,104 | 162,427 | 9,808,000 | 6,340 | 8,998,000 |
| 1998 | 10,104 | 166,110 | 9,576,522 | 1,732 | 8,527,000 |
| 1999 | 10,104 | 173,747 | 10,290,000 | 8,363 | 9,330,000 |
| 2000 | 10,000 | 177,772 | 9,940,000 | 7,848 | 8,765,000 |
| 2001 | 10,000 | 188,431 | 9,360,000 | 14,366 | 8,280,000 |
| 2002 | 10,000 | 196,615 | 12,365,000 | 13,060 | 11,380,000 |
| 2003 | 10,000 | 211,591 | 11,720,000 | 6,749 | 10,830,000 |
| 2004 | 10,000 | 219,682 | 11,050,000 | 10,472 | 10,265,000 |
| 2005 | 10,000 | 229,509 | 11,355,000 | 8,862 | 9,690,000 |

NOTES:

- (1) U.S. Department of Commerce, Bureau of Census.
- (2) Excluding special assessment and revenue bond issues.

| NET BONDED DEBT | RATIO OF NET BONDED DEBT TO TAXABLE VALUE | NET BONDED DEBT PER CAPITA |
|-----------------------|---|----------------------------------|
| \$ 755,942 | 0.004 | \$ 74.82 |
| 803,660 | 0.004 | 79.54 |
| 1,047,790 | 0.005 | 103.70 |
| 951,637 | 0.005 | 94.18 |
| 1,167,152 | 0.006 | 116.72 |
| 1,065,634 | 0.005 | 106.56 |
| 971,940 | 0.004 | 97.19 |
| 883,251 | 0.004 | 88.33 |
| 774,528 | 0.004 | 77.45 |
| 1,656,138 | 0.007 | 165.61 |

CITY OF CADILLAC, MICHIGAN

LEGAL DEBT MARGIN

JUNE 30, 2005

| | | | | |
|---|----|-----------|----|-------------|
| Taxable Valuation at December 31, 2004 | | | \$ | 229,508,673 |
| Statutory Debt Limit - 10% of Taxable Valuation | | | \$ | 22,950,867 |
| Amount of Debt Applicable to Limit: | | | | |
| Gross Bonded Debt and Other Long-Term Debt | | | \$ | 12,391,000 |
| Less | | | | |
| Assets Available for Debt Service | \$ | 8,862 | | |
| Bond Debt not Subject to Limit: | | | | |
| Special Assessment Bonds | | 775,000 | | |
| Revenue Bonds | | 8,915,000 | | |
| Other Debt | | 1,036,000 | | |
| | | | | 10,734,862 |
| Total Amount of Debt Applicable to Debt Limit | | | | 1,656,138 |
| LEGAL DEBT MARGIN | | | \$ | 21,294,729 |

CITY OF CADILLAC, MICHIGAN

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2005

| | | GROSS BONDED DEBT | (1) EXCLUSIONS | NET BONDED DEBT |
|------------------------------------|----------------------------|-------------------------|-------------------|-----------------------|
| <u>DIRECT DEBT:</u> | | | | |
| Outstanding Bonds | | | | |
| General Obligation | | \$ 1,665,000 | \$ 8,862 | \$ 1,656,138 |
| Special Assessment | | 775,000 | 775,000 | 0 |
| Revenue Bonds | | | | |
| Water and Sewer | | 7,640,000 | 7,640,000 | 0 |
| Primary Government | | 1,275,000 | 1,275,000 | 0 |
| Other | | 1,036,000 | 1,036,000 | 0 |
| Total Direct Debt | | \$ 12,391,000 | \$ 10,734,862 | \$ 1,656,138 |
| | | | | |
| <u>GROSS OVERLAPPING DEBT:</u> | (2) <u>% APPLICABLE</u> | | | |
| Cadillac Area Public Schools | 37.68% | \$ 8,807,935 | \$ 0 | \$ 8,807,935 |
| Wexford County | 26.91% | 1,604,461 | 0 | 1,604,461 |
| Total Gross Overlapping Debt | | \$ 10,412,396 | \$ 0 | \$ 10,412,396 |
| NET DIRECT AND OVERLAPPING DEBT | | \$ 22,803,396 | \$ 10,734,862 | \$ 12,068,534 |

NOTES:

- (1) Exclusions represent all bonds which are not general obligation bonds of the City of Cadillac, and general obligation bonds which are self-supporting.
- (2) Percentage applicable to City of Cadillac calculated using state taxable valuation of City divided by state taxable valuation of taxing district.

CITY OF CADILLAC, MICHIGAN

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
FOR THE FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | (1) GENERAL OBLIGATION BOND | | TOTAL DEBT SERVICE | (1) TOTAL GENERAL EXPENDITURES | | RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES |
|----------------|--------------------------------|--------------------------------------|--------------------------|---|------|---|
| | | INTEREST AND PAYING AGENT FEES | | | | |
| | PRINCIPAL | | | | | |
| 1996 | \$ 214,500 | \$ 227,412 | \$ 441,912 | \$ 5,903,731 | 7.5 | |
| 1997 | 289,500 | 246,741 | 536,241 | 6,831,839 | 7.9 | |
| 1998 | 367,000 | 256,644 | 623,644 | 7,369,844 | 8.5 | |
| 1999 | 359,500 | 301,964 | 661,464 | 7,840,375 | 8.4 | |
| 2000 | 641,387 | 224,985 | 866,372 | 7,636,796 | 11.3 | |
| 2001 | 348,500 | 213,750 | 562,250 | 8,576,622 | 6.6 | |
| 2002 | 382,986 | 210,655 | 593,641 | 7,595,225 | 7.8 | |
| 2003 | 360,907 | 189,381 | 550,288 | 8,451,403 | 6.5 | |
| 2004 | 267,500 | (2) 98,511 | 366,011 | 8,504,494 | 4.3 | |
| 2005 | 277,500 | 98,476 | 375,976 | 8,918,498 | 4.2 | |

NOTES:

- (1) Includes General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
- (2) 1994 Building Authority Debt Service Fund was closed out. Debt service on the two bond issues now being paid from Cadillac Building Authority Fund, an Enterprise Fund. Amounts no longer included in this total.

CITY OF CADILLAC, MICHIGAN

REVENUE BOND COVERAGE
WATER AND SEWER BONDS

FOR FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | (1) GROSS REVENUE | (2) OPERATING EXPENSES | NET REVENUE AVAILABLE FOR DEBT SERVICE | DEBT SERVICE REQUIREMENTS | | | |
|----------------|-------------------------|------------------------------|--|---------------------------|------------|------------|-----------------|
| | | | | PRINCIPAL | INTEREST | TOTAL | (3) COVERAGE |
| 1996 | \$ 2,725,607 | \$ 1,643,391 | \$ 1,082,216 | \$ 190,000 | \$ 320,044 | \$ 510,044 | 2.12 |
| 1997 | 2,658,216 | 1,683,239 | 974,977 | 200,000 | 327,694 | 527,694 | 1.85 |
| 1998 | 2,738,146 | 1,736,802 | 1,001,344 | 220,000 | 313,902 | 533,902 | 1.88 |
| 1999 | 2,817,326 | 1,733,731 | 1,083,595 | 225,000 | 314,949 | 539,949 | 2.01 |
| 2000 | 3,185,465 | 1,840,361 | 1,345,104 | 255,000 | 314,717 | 569,717 | 2.36 |
| 2001 | 3,241,433 | 1,809,910 | 1,431,523 | 270,000 | 288,656 | 558,656 | 2.56 |
| 2002 | 3,329,623 | 1,981,893 | 1,347,730 | 280,000 | 277,941 | 557,941 | 2.42 |
| 2003 | 3,087,995 | 2,111,154 | 976,841 | 310,000 | 414,477 | 724,477 | 1.35 |
| 2004 | 3,320,702 | 2,192,751 | 1,127,951 | 330,000 | 399,145 | 729,145 | 1.55 |
| 2005 | 3,480,237 | 2,284,081 | 1,196,156 | 335,000 | 382,795 | 717,795 | 1.67 |

NOTES:

(1) Operating revenue plus interest income.

(2) Operating expenses are the total operating expenses, less depreciation, plus transfers out.

(3) Coverage is defined as "Net Revenue Available for Debt Service, Divided by Total Debt Service Requirements".

CITY OF CADILLAC, MICHIGAN

DEMOGRAPHIC STATISTICS - MISCELLANEOUS
FOR THE FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | (1) POPULATION | (2) PER CAPITA PERSONAL INCOME | (3) SCHOOL ENROLLMENT | (4) LOCAL UNEMPLOYMENT PERCENTAGE RATE | (4) STATE OF MICHIGAN UNEMPLOYMENT PERCENTAGE RATE | (4) CIVILIAN LABOR FORCE |
|----------------|-------------------|---|-----------------------------|--|---|-----------------------------------|
| 1996 | 10,104 | 18,276 | 3,991 | 9.1 | 4.9 | 13,850 |
| 1997 | 10,104 | 19,016 | 3,980 | 8.9 | 4.2 | 14,375 |
| 1998 | 10,104 | 18,522 | 3,834 | 8.2 | 3.9 | 14,750 |
| 1999 | 10,104 | 21,179 | 3,787 | 6.4 | 4.2 | 15,700 |
| 2000 | 10,000 | 21,781 | 3,608 | 6.4 | 3.5 | 15,600 |
| 2001 | 10,000 | 21,700 | 3,514 | 9.4 | 5.1 | 16,075 |
| 2002 | 10,000 | 22,362 | 3,465 | 8.3 | 6.2 | 14,600 |
| 2003 | 10,000 | 22,781 | 3,639 | 9.8 | 7.1 | 15,250 |
| 2004 | 10,000 | N/A | 3,674 | 8.2 | 7.1 | 14,925 |
| 2005 | 10,000 | N/A | 3,614 | 6.1* | 6.4* | 15,298 |

* Through 8/31/05

NOTES:

- (1) U.S. Department of Commerce, Bureau of Census.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis; Regional Accounts Data;
www.bea.gov: Wexford County Data
- (3) Annual School Census
- (4) Michigan Department of Career Development - Labor Market Information; www.michlmi.org

CITY OF CADILLAC, MICHIGAN

DEMOGRAPHIC STATISTICS
POPULATION BY CENSUS COUNT

1880-2000

| <u>YEAR</u> | <u>POPULATION TRENDS</u> | |
|-------------|---------------------------------|-----------------|
| | <u>WEXFORD</u> <u>COUNTY</u> | <u>CADILLAC</u> |
| 1880 | 6,815 | 2,213 |
| 1890 | 11,278 | 4,461 |
| 1900 | 16,845 | 5,997 |
| 1910 | 20,769 | 8,357 |
| 1920 | 18,207 | 9,750 |
| 1930 | 16,827 | 9,570 |
| 1940 | 17,976 | 9,855 |
| 1950 | 18,628 | 10,425 |
| 1960 | 18,466 | 10,112 |
| 1970 | 19,717 | 9,990 |
| 1980 | 25,102 | 10,199 |
| 1990 | 26,412 | 10,104 |
| 2000 | 30,484 | 10,000 |

CITY OF CADILLAC, MICHIGAN

PROPERTY VALUE AND CONSTRUCTION
FOR THE YEARS 1995 THROUGH 2004

| YEAR | CONSTRUCTION | | | | | PROPERTY VALUE (2) | | |
|------|--------------|-------------|-------------|-------------|-------------|--------------------|-------------|-------------|
| | TOTAL | RESIDENTIAL | COMMERCIAL | INDUSTRIAL | OTHER | | | |
| | NUMBER | NUMBER | NUMBER | NUMBER | NUMBER | (1) | | |
| | OF UNITS | OF UNITS | OF UNITS | OF UNITS | OF UNITS | COMMERCIAL | RESIDENTIAL | OTHER |
| 1996 | 252 | 196 | 36 | 15 | 5 | 52,092,148 | 146,776,540 | 108,748,778 |
| 1997 | 261 | 188 | 44 | 25 | 4 | 52,488,216 | 152,567,308 | 119,798,064 |
| 1998 | 264 | 201 | 38 | 19 | 6 | 53,467,206 | 159,924,730 | 118,827,274 |
| 1999 | 269 | 216 | 25 | 19 | 9 | 55,522,844 | 165,154,112 | 126,816,156 |
| 2000 | 302 | 256 | 26 | 14 | 6 | 57,122,826 | 172,248,176 | 126,172,416 |
| 2001 | 278 | 235 | 30 | 8 | 5 | 68,014,800 | 227,913,400 | 133,900,000 |
| 2002 | 290 | 231 | 25 | 19 | 15 | 94,582,800 | 247,005,500 | 129,325,200 |
| 2003 | 261 | 214 | 20 | 20 | 7 | 91,835,400 | 271,624,400 | 145,456,800 |
| 2004 | 285 | 243 | 28 | 9 | 5 | 118,304,200 | 303,863,000 | 122,465,200 |
| 2005 | N/A | N/A | N/A | N/A | N/A | 119,973,000 | 326,844,200 | 129,213,200 |

NOTES:

(1) Includes Personal, Agricultural, Industrial, Industrial Facilities Tax, and Commercial Facilities Tax

(2) Based on two times the Assessed Value of the property

CITY OF CADILLAC, MICHIGAN

PRINCIPAL TAXPAYERS
JUNE 30, 2005 AND 2004

| AS OF JUNE 30, | TAXPAYER | TYPE OF BUSINESS | TAXABLE VALUE | PERCENTAGE |
|----------------------|---------------------------------|---------------------------------|------------------|------------|
| 2005 | Hayes-Lemmerz International | Ironworks | \$ 14,288,900 | 6.23% |
| | Cadillac Renewable Energy | Electric Utility | 11,049,000 | 4.81% |
| | Avon Rubber & Plastics | Extruded & Molded Rubber | 8,306,822 | 3.62% |
| | Rexair, Inc. | Vacuum Cleaner Manufacturer | 6,425,864 | 2.80% |
| | Consumers Energy | Electric Utility | 5,615,893 | 2.45% |
| | FIAMM Technologies, Inc. | Automotive and Marine Horns | 5,212,711 | 2.27% |
| | Michigan Rubber | Fabricated & Molded Rubber | 4,652,032 | 2.03% |
| | AAR Cadillac Mfg. | Industrial Handling Equipment | 4,420,587 | 1.93% |
| | Paulstra CRC Corp. | Rubber By-Products Manufacturer | 3,496,000 | 1.52% |
| | Four Winns Boat Group | Boat Manufacturer | 3,360,445 | 1.46% |
| | Total of Principal Taxpayers | | \$ 66,828,254 | 29.12% |
| | Total of Remainder of Taxpayers | | 162,680,419 | 70.88% |
| | TOTAL TAXABLE VALUATION | | \$ 229,508,673 | 100.00% |
| 2004 | Hayes-Lemmerz International | Ironworks | \$ 15,529,500 | 7.02% |
| | Cadillac Renewable Energy | Electric Utility | 13,358,600 | 6.05% |
| | Avon Rubber & Plastics | Extruded & Molded Rubber | 9,262,500 | 4.19% |
| | Rexair, Inc. | Vacuum Cleaner Manufacturer | 6,697,800 | 3.03% |
| | Consumers Energy | Electric Utility | 5,343,854 | 2.42% |
| | FIAMM Technologies, Inc. | Automotive and Marine Horns | 5,054,200 | 2.29% |
| | Michigan Rubber | Fabricated & Molded Rubber | 4,892,545 | 2.22% |
| | AAR Cadillac Mfg. | Industrial Handling Equipment | 4,191,000 | 1.90% |
| | Four Winns Boat Group | Boat Manufacturer | 3,838,396 | 1.74% |
| | Paulstra CRC Corp. | Rubber By-Products Manufacturer | 2,887,900 | 1.31% |
| | Total of Principal Taxpayers | | \$ 71,056,295 | 32.17% |
| | Total of Remainder of Taxpayers | | 149,793,634 | 67.83% |
| | TOTAL TAXABLE VALUATION | | \$ 220,849,929 | 100.00% |

The above value includes both real and personal of the: Advalorem roll; IFT's; and CFT's. The above does not reflect any changes by the Michigan Tax Tribunal or December Board of Review.

CITY OF CADILLAC, MICHIGAN

MISCELLANEOUS STATISTICAL DATA

JUNE 30, 2005

| | |
|-------------------------|--|
| DATE OF INCORPORATION | MARCH 9, 1877 |
| PRESENT CHARTER ADOPTED | NOVEMBER 2, 1976 |
| FORM OF GOVERNMENT | COUNCIL-MANAGER |
| AREA OF CITY | 9 SQUARE MILES |
| MILES OF STREET | 61.33 MILES PLUS 7 MILES OF STATE HIGHWAYS |
| NUMBER OF STREET LIGHTS | 574 |

PUBLIC SAFETY:

| | <u>POLICE</u> | <u>FIRE</u> |
|----------------------------------|---------------|-------------|
| Number of Stations | 1 | 1 |
| Number of Employees - Full-Time | 17.5 | 11.5 |
| Number of Employees - Volunteers | 18 | 19 |
| Mobile Equipment | 9 | 6 |

UTILITIES:

| | <u>WATER</u> | <u>WASTEWATER</u> |
|--------------------------|-----------------------|-----------------------|
| Number of Customers | 3,520 | 3,569 |
| Gallons of Flow Per Year | 773.4 Million Gal. | 763.4 Million Gal. |
| Average Daily Flow | 2.12 Million Gal./Day | 2.09 Million Gal./Day |
| Miles of Mains | 63 Miles | 59 Miles |
| Employees | 9 | 7 |

BUILDING PERMITS ISSUED

| | |
|----------------------------------|-----|
| 1996-2004 Average Permits Issued | 273 |
|----------------------------------|-----|

CITY EMPLOYEES

| | |
|-----------|----|
| Full-Time | 82 |
| Part-Time | 40 |

CITY OF CADILLAC, MICHIGAN

MISCELLANEOUS STATISTICAL DATA

JUNE 30, 2005

RECREATION AND CULTURE

| | |
|---|------------------------------------|
| Number of City Parks | 4 (117 Acres) |
| Number of State Parks | 1 (245.9 Acres) |
| Number of Libraries | 1 (Approximately 70,000 Volumes) |
| City Completely Surrounds Lake Cadillac | 1.9 Square Mile Lake (1,216 Acres) |

EDUCATION

| | |
|---|-----------------|
| Elementary Schools | 5 |
| Middle Schools | 2 |
| High Schools | 1 |
| Parochial Schools | 3 |
| Community College | 1 |
| Vocational Technical School | 1 |
| Number of Personnel - C.A.P.S. | |
| Teachers | 200 |
| Administrative Staff | 13 |
| Wexford-Missaukee Intermediate School District | |
| Taxable Valuation | \$1,547,912,850 |
| Public School Membership | 9,421 |
| Cadillac Area Public Schools | |
| Taxable Value | |
| Debt | \$609,073,607 |
| Non-Homestead | \$307,155,237 |
| Public School Membership (K-12) | 3,311 |
| Parochial Schools | |
| Membership | 303 |

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
FOR THE FISCAL YEARS 1996-2005

| <u>FISCAL YEARS</u> | <u>ACTUARIAL ACCRUED LIABILITY</u> | <u>ASSETS ALLOCATED TO FUNDING</u> | <u>PERCENT FUNDED</u> | <u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u> |
|-------------------------|--|--|---------------------------|---|
| 1996 | 5,691,629 | 6,823,047 | 119.9 | (1,131,418) |
| 1997 | 5,788,268 | 7,322,452 | 127 | (1,534,184) |
| 1998 | 6,218,592 | 7,923,062 | 127.4 | (1,704,470) |
| 1999 | 6,744,595 | 8,840,153 | 131.1 | (2,095,558) |
| 2000 | 7,370,963 | 9,439,499 | 128.1 | (2,068,536) |
| 2001 | 7,992,526 | 9,785,299 | 122.4 | (1,792,773) |

| EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL | | VALUATION PAYROLL | ACTIVE MEMBERS | RETIRANTS AND BENEFICIARIES | ACTIVE MEMBERS AVERAGE | | |
|--|-----|----------------------|-------------------|-----------------------------------|---------------------------|------|---------|
| | | | | | ANNUAL PAY | AGE | SERVICE |
| 8.44 | | 674,557 | 26 | 41 | 27,460 | 44.3 | 11 |
| 10.67 | (2) | 631,548 | 25 | | | | |
| 5.56 | (3) | 86,334 | 4 | | | | |
| 11.9 | (4) | 373,707 | 14 | | | | |
| 8.93 | (5) | 64,369 | 1 | | | | |
| 8.94 | (6) | 201,537 | 4 | | | | |
| 7.95 | | 706,666 | 28 | 42 | 26,669 | 44 | 11 |
| 10 | (2) | 600,549 | 25 | | | | |
| 5.41 | (3) | 106,036 | 4 | | | | |
| 11.29 | (4) | 416,678 | 16 | | | | |
| 8.23 | (5) | 66,162 | 1 | | | | |
| 7.94 | (6) | 157,452 | 3 | | | | |
| 8.03 | | 740,444 | 25 | 45 | 29,392 | 43.8 | 10.7 |
| 9.97 | (2) | 630,344 | 24 | | | | |
| 5.53 | (3) | 85,466 | 3 | | | | |
| 11.23 | (4) | 423,784 | 16 | | | | |
| 8.14 | (5) | 73,862 | 1 | | | | |
| 7.9 | (6) | 162,341 | 3 | | | | |
| 8.03 | | 733,548 | 23 | 44 | 31,156 | 44.6 | 11 |
| 9.98 | (2) | 724,015 | 25 | | | | |
| 5.56 | (3) | 123,639 | 4 | | | | |
| 11.31 | (4) | 469,628 | 18 | | | | |
| 8.14 | (5) | 80,674 | 1 | | | | |
| 7.90 | (6) | 174,064 | 3 | | | | |
| 7.22 | | 831,695 | 27 | 45 | 30,921 | 43.4 | 10 |
| 6.43 | (2) | 682,151 | 24 | | | | |
| 6.05 | (3) | 122,066 | 4 | | | | |
| 7.98 | (4) | \$ 523,126 | 19 | | | | |
| 6.89 | (5) | 78,851 | 1 | | | | |
| 6.84 | (6) | 173,952 | 3 | | | | |
| 7.55 | | 874,910 | 27 | 49 | 32,069 | 43.5 | 10.5 |
| 6.8 | (2) | 735,799 | 25 | | | | |

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
FOR THE FISCAL YEARS 1996-2005

| <u>FISCAL YEARS</u> | <u>ACTUARIAL ACCRUED LIABILITY</u> | <u>ASSETS ALLOCATED TO FUNDING</u> | <u>PERCENT FUNDED</u> | <u>UNFUNDED ACTUARIAL ACCRUED LIABILITY</u> |
|-------------------------|--|--|---------------------------|---|
| 2002 | 8,358,393 | 9,712,366 | 116.2 | (1,353,973) |
| 2003 | 8,910,724 | 10,053,522 | 112.8 | (1,142,798) |
| 2004 | 9,170,012 | 9,990,746 | 109.2 | (820,734) |
| 2005 | N/A | N/A | N/A | N/A |

NOTES:

- (1) The retirement board has implemented a program of contribution credits which give recognition to accelerated funding levels. Recent economic trends have produced a combination of high rates of investment return and moderating salary increments, which in turn have pushed funding levels significantly ahead of schedule. The retirement board believes that overly rapid funding rates are inconsistent with the basic financial objective of level percent of payroll contributions. The accelerated funding credit allows contributions to temporarily be lower than the regular contribution. The accelerated contribution would be a percentage of payroll, but because of the accelerated funding credit, the employer contribution rate was actually 0%.

| EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL | | VALUATION PAYROLL | ACTIVE MEMBERS | RETIRANTS AND BENEFICIARIES | ACTIVE MEMBERS AVERAGE | | |
|--|-----|----------------------|-------------------|-----------------------------------|---------------------------|------|---------|
| | | | | | ANNUAL PAY | AGE | SERVICE |
| 8.2 | (3) | 126,638 | 4 | | | | |
| 8.42 | (4) | 470,240 | 17 | | | | |
| 6.51 | (5) | 83,075 | 1 | | | | |
| 7.19 | (6) | 178,648 | 3 | | | | |
| 7.59 | | 873,693 | 26 | 45 | 32,734 | 44.3 | 11.1 |
| 6.83 | (2) | 747,685 | 25 | | | | |
| 8.10 | (3) | 126,412 | 4 | | | | |
| 8.43 | (4) | 502,884 | 18 | | | | |
| 6.51 | (5) | 87,693 | 1 | | | | |
| 7.19 | (6) | 182,115 | 3 | | | | |
| 7.61 | | 883,818 | 25 | 46 | 34,267 | 45.5 | 11.5 |
| 6.95 | (2) | 811,027 | 26 | | | | |
| 8.16 | (3) | 154,700 | 5 | | | | |
| 8.54 | (4) | 507,863 | 17 | | | | |
| 6.52 | (5) | 92,455 | 1 | | | | |
| 7.19 | (6) | 188,722 | 3 | | | | |
| 7.83 | | 883,119 | 24 | 46 | 36,051 | 46.8 | 12.9 |
| 7.56 | (2) | 872,706 | 27 | | | | |
| 8.34 | (3) | 129,730 | 4 | | | | |
| 8.61 | (4) | 274,145 | 9 | | | | |
| 7.17 | (5) | 96,440 | 1 | | | | |
| 7.81 | (6) | 195,344 | 3 | | | | |
| N/A | | N/A | | N/A | N/A | N/A | N/A |

- (2) Local 14317 includes additional negotiated benefit for the union.
- (3) Separate benefits for Housing Commission.
- (4) Separate benefits for Library.
- (5) Separate benefits for City Manager.
- (6) Separate benefits for Department Heads.

CITY OF CADILLAC, MICHIGAN

POLICEMEN AND FIREMEN RETIREMENT SYSTEM (1)
COMPARATIVE SCHEDULE

FOR THE FISCAL YEARS 1996-2005

| <u>FISCAL YEARS</u> | | (2) ACTUARIAL ACCRUED LIABILITY | ASSETS ALLOCATED TO FUNDING | PERCENT FUNDED | UNFUNDED ACTUARIAL ACCRUED LIABILITY |
|-------------------------|-----|--|-----------------------------------|-------------------|---|
| 1996 | | \$ 4,530,631 | \$ 3,789,087 | 83.6 | \$ 741,544 |
| 1997 | (3) | 4,985,777 | 4,183,932 | 83.9 | 801,845 |
| 1998 | | 5,021,702 | 4,721,444 | 94 | 300,258 |
| 1999 | | 5,336,204 | 5,241,694 | 98.2 | 94,510 |
| 2000 | | 5,600,202 | 5,724,442 | 102.2 | (124,240) |
| 2001 | | 5,949,789 | 6,034,859 | 101.4 | (85,070) |
| 2002 | | 6,958,880 | 6,041,096 | 86.8 | 917,784 |
| 2003 | | 7,348,465 | 5,891,594 | 80.2 | 1,456,871 |
| 2004 | | 7,982,006 | 5,848,560 | 73.3 | 2,133,446 |
| 2005 | | N/A | N/A | N/A | N/A |

NOTES:

- (1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.
- (2) Data from Gabriel, Roeder, Smith and Co., Actuaries.
- (3) Actuarial assumptions revised as a result of an experience study for the five-year period ending 6-30-97. Actuarial assumptions concerning rates of withdrawal, rates of retirement, rates of post-retirement mortality, investment return and wage inflation were all changed as a direct result of the study. The net effect was a decrease in the employer contribution rate of 2.1% of payroll.
- (4) Police 11.47%, Fire 12.91%
- (5) Police 12.73%, Fire 11.25%
- (6) Police 15.50%, Fire 17.44%
- (7) Police 17.34%, Fire 23.89%
- (8) Police 28.26%, Fire 26.58% (Each group contributes 3% of salary to cover benefit enhancements.)

| EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL | | VALUATION PAYROLL | ACTIVE MEMBERS | RETIRANTS AND BENEFICIARIES | AVERAGE ANNUAL PAY | AGE | SERVICE |
|--|-----|----------------------|-------------------|-----------------------------------|--------------------------|------|---------|
| 17.92 | | \$ 1,135,240 | 29 | 18 | \$ 39,146 | 39.1 | 11.6 |
| 15.87 | | 1,197,184 | 30 | 19 | 39,906 | 39.2 | 11.8 |
| 14.3 | | 1,188,026 | 29 | 20 | 40,966 | 39.7 | 12.2 |
| 13.11 | | 1,274,419 | 29 | 21 | 43,945 | 39.8 | 11.6 |
| 11.99 | (4) | 1,347,171 | 29 | 21 | 46,454 | 40.8 | 12.6 |
| 12.19 | (5) | 1,406,654 | 29 | 21 | 48,505 | 41.8 | 13.6 |
| 16.41 | (6) | 1,352,466 | 28 | 24 | 48,302 | 41.4 | 12.5 |
| 20.01 | (7) | 1,237,171 | 26 | 26 | 47,584 | 41.5 | 13.1 |
| 23.72 | (8) | 1,391,450 | 27 | 27 | 51,535 | 41.2 | 12.6 |
| N/A | | N/A | N/A | N/A | N/A | N/A | N/A |

CITY OF CADILLAC, MICHIGAN

LABOR AGREEMENTS

JUNE 30, 2005

| | DATE EFFECTIVE JULY 1, | EXPIRATION DATE JUNE 30, |
|---|------------------------------|--------------------------------|
| <u>POLICE</u> | | |
| Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA) | 2005 | 2008 |
| Command Officers Association of Michigan (CMOA) Local - Cadillac Command Officers Association (CCOA) | 2005 | 2008 |
| <u>FIRE</u> | | |
| International Association of Fire Fighters Local 704 | 2003 | 2006 |
| <u>STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT</u> | | |
| United Steelworkers of America Local Union No. 14317 | 2004 | 2007 |

CITY OF CADILLAC, MICHIGAN

TAX INFORMATION

JUNE 30, 2005

TAXES DUE AND

PAYABLE:

City and School taxes are due and payable July 1, and County and School taxes are due and payable December 1, at the office of the City Treasurer.

PENALTIES FOR

DELINQUENCY:

Beginning August 15, a 4% penalty is added to unpaid City and School taxes. Beginning September 1, an additional 1% per month is added through February. Beginning February 15, a 3% penalty is added to unpaid County and School taxes. Beginning March 1, the Wexford County Treasurer assumes collection of real property taxes. All delinquent personal property and delinquent industrial and commercial facilities taxes remain with the City Treasurer for collection.

LIEN ON PROPERTY:

Unpaid real property taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

| Date of Sale May, | Delinquent Tax Properties to be Sold Year |
|----------------------|---|
| 1997 | 1994 |
| 1998 | 1995 |
| 1999 | 1996 |
| 2000 | 1997 |
| 2001 | 1998 and 1999 |
| 2002 | 2000 |
| 2003 | 2001 |
| 2004 | 2002 |
| 2005 | 2003 |

CITY OF CADILLAC, MICHIGAN

LARGEST EMPLOYERS AND NUMBER OF EMPLOYEES

JUNE 30, 2005

| <u>COMPANY</u> | <u>NUMBER OF FULL-TIME EMPLOYEES</u> | <u>TYPE OF BUSINESS</u> |
|---|--|-------------------------------|
| <i>Principal Economic Base Employers (February, 2005)</i> | | |
| Four Winns Boat Group | 870 | Boats & Cruisers |
| Avon Rubber & Plastics | 696 | Extruded & Molded Rubber |
| Mercy Hospital Cadillac | 600 | Health Care |
| Cadillac Area Public Schools | 504 | Public Education |
| AAR Cadillac Mfg. | 490 | Industrial Handling Equipment |
| Michigan Rubber | 423 | Fabricated & Molded Rubber |
| Hayes-Lemmerz International | 356 | Castings & Malleable Iron |
| Lakeview Lutheran Manor | 240 | Skilled Care Facility |
| Rexair, Inc. | 234 | Household Vacuum Cleaners |
| BorgWarner Cooling Systems | 200 | Auto Parts and Accessories |
| FIAMM Technologies, Inc. | 177 | Automotive & Marine Air Horns |
| Universal Trim, Inc. | 158 | Automotive Seat Covers |
| Paulstra CRC Corp. | 131 | Industrial Molded Rubber |

**Source: Cadillac Area Chamber of Commerce*

CITY OF CADILLAC, MICHIGAN

NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | WATER SUPPLY CUSTOMERS | | WASTEWATER TREATMENT CUSTOMERS | |
|----------------|---------------------------|-------------------------|-----------------------------------|-------------------------|
| | NUMBER | PERCENTAGE OF CHANGE | NUMBER | PERCENTAGE OF CHANGE |
| 1996 | 3,322 | 1.10 | 3,445 | 0.70 |
| 1997 | 3,342 | 0.60 | 3,461 | 0.50 |
| 1998 | 3,375 | 1.00 | 3,477 | 0.50 |
| 1999 | 3,383 | 0.20 | 3,481 | 0.10 |
| 2000 | 3,408 | 0.74 | 3,499 | 0.52 |
| 2001 | 3,414 | 0.20 | 3,504 | 0.10 |
| 2002 | 3,407 | (0.21) | 3,493 | (0.31) |
| 2003 | 3,456 | 1.40 | 3,526 | 0.94 |
| 2004 | 3,487 | 0.90 | 3,544 | 0.51 |
| 2005 | 3,520 | 0.95 | 3,569 | 0.71 |

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2005

| METER CLASSIFICATION | AVERAGE CUSTOMERS | |
|----------------------|-------------------|-------------------------|
| | WATER SUPPLY | WASTEWATER TREATMENT |
| Unmetered | 0 | 181 |
| 5/8" | 3,199 | 3,129 |
| 3/4" | 3 | 3 |
| 1" | 130 | 106 |
| 1 1/2" | 77 | 61 |
| 2" | 81 | 65 |
| 3" | 9 | 9 |
| 4" | 15 | 12 |
| 6" | 5 | 3 |
| 8" | 1 | 0 |
| TOTAL | <u>3,520</u> | <u>3,569</u> |

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues.

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2005

| LINE SIZE | MONTHLY READY-TO-SERVE CHARGE |
|-----------|-------------------------------|
| 3/4" | \$ 1.70 |
| 1" | 2.85 |
| 1 1/2" | 5.65 |
| 2" | 9.10 |
| 3" | 19.80 |
| 4" | 34.05 |
| 6" | 71.05 |
| 8" | 102.30 |
| 10" | 164.80 |
| 12" | 244.35 |

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 1996 THROUGH 2005

| YEAR ENDING JUNE 30, | METER CLASSIFICATION | | | | | | | | |
|----------------------------|----------------------|---------|---------|---------|----------|----------|----------|----------|----------|
| | 5/8" | 3/4" | 1" | 1 1/2" | 2" | 3" | 4" | 6" | 8" |
| 1996 | \$ 4.10 | \$ 6.20 | \$ 7.30 | \$ 9.35 | \$ 14.05 | \$ 38.75 | \$ 53.30 | \$ 86.10 | \$ 94.10 |
| 1997 | 4.22 | 6.39 | 7.52 | 9.63 | 14.47 | 39.91 | 54.90 | 88.68 | 96.92 |
| 1998 | 4.35 | 6.58 | 7.75 | 9.92 | 14.90 | 41.11 | 56.55 | 91.34 | 99.83 |
| 1999 | 4.48 | 6.78 | 7.98 | 10.22 | 15.35 | 42.34 | 58.25 | 94.08 | 102.83 |
| 2000 | 4.61 | 6.98 | 8.22 | 10.53 | 15.81 | 43.61 | 60.00 | 96.90 | 105.92 |
| 2001 | 4.00 | 6.01 | 10.02 | 20.04 | 32.06 | 70.13 | 120.23 | 250.47 | 360.68 |
| 2002 | 4.12 | 6.19 | 10.32 | 20.64 | 33.02 | 72.22 | 123.84 | 257.98 | 371.50 |
| 2003 | 4.25 | 6.40 | 10.65 | 21.25 | 34.00 | 74.40 | 127.55 | 265.70 | 382.65 |
| 2004 | 4.40 | 6.60 | 10.95 | 21.90 | 35.00 | 76.65 | 131.40 | 273.65 | 394.15 |
| 2005 | 4.60 | 6.85 | 11.40 | 22.80 | 36.40 | 79.70 | 136.65 | 284.60 | 409.90 |

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
THROUGH FISCAL YEAR JUNE 30, 2005

| YEAR ENDING JUNE 30, | METER CLASSIFICATION | | | | | | | | |
|----------------------------|----------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| | 5/8" | 3/4" | 1" | 1 1/2" | 2" | 3" | 4" | 6" | 8" |
| 1996 | \$ 6.70 | \$ 10.10 | \$ 11.90 | \$ 14.90 | \$ 22.70 | \$ 62.90 | \$ 85.80 | \$ 139.30 | \$ 217.35 |
| 1997 | 6.90 | 10.40 | 12.26 | 15.35 | 23.38 | 64.79 | 88.37 | 143.48 | 223.87 |
| 1998 | 7.10 | 10.71 | 12.63 | 15.81 | 24.08 | 66.73 | 91.02 | 147.78 | 230.59 |
| 1999 | 7.31 | 11.03 | 13.01 | 16.28 | 24.80 | 68.73 | 93.75 | 152.21 | 237.51 |
| 2000 | 7.53 | 11.36 | 13.40 | 16.77 | 25.54 | 70.79 | 96.56 | 156.78 | 244.64 |
| 2001 | 6.60 | 9.90 | 16.50 | 33.00 | 52.80 | 115.50 | 198.00 | 412.50 | 594.00 |
| 2002 | 6.80 | 10.20 | 17.00 | 34.00 | 54.38 | 118.97 | 203.94 | 424.88 | 611.82 |
| 2003 | 7.00 | 10.50 | 17.50 | 35.00 | 56.00 | 122.55 | 210.05 | 437.60 | 630.20 |
| 2004 | 7.20 | 10.80 | 18.05 | 36.05 | 57.70 | 126.25 | 216.35 | 450.35 | 649.10 |
| 2005 | 7.50 | 11.25 | 18.75 | 37.50 | 60.00 | 131.30 | 225.00 | 468.80 | 675.05 |

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues.

CITY OF CADILLAC, MICHIGAN

FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2004 THROUGH DECEMBER 31, 2004

| | | <u>CUBIC FEET</u> | | <u>GALLONS</u> | | <u>DOLLARS</u> |
|-------|-----------------------------|-------------------|--------------|----------------|--------------|------------------------|
| | | <u>WATER</u> | <u>SEWER</u> | <u>WATER</u> | <u>SEWER</u> | <u>WATER AND SEWER</u> |
| 1) | Hayes-Lemmerz International | 12,576,808 | 10,690,302 | 94,074,524 | 79,963,459 | \$ 264,145 |
| 2) | Avon Rubber & Plastics | 11,213,800 | 6,497,502 | 83,879,224 | 48,601,315 | 262,439 |
| 3) | AAR Cadillac Mfg. | 9,400,100 | 6,970,490 | 70,312,748 | 52,139,265 | 175,042 |
| 4) | Paulstra CRC Corp. | 550,500 | 3,866,400 | 4,117,740 | 28,920,672 | 92,767 |
| 5) | Mercy Hospital Cadillac | 1,991,500 | 1,991,500 | 14,896,420 | 14,896,420 | 61,512 |
| 6) | Country Acres | 1,745,200 | 1,745,200 | 13,054,096 | 13,054,096 | 43,020 |
| 7) | Borg Warner Cooling Systems | 1,566,900 | 1,566,900 | 11,720,412 | 11,720,412 | 40,539 |
| 8) | Michigan Rubber | 1,488,700 | 1,488,700 | 11,135,476 | 11,135,476 | 38,652 |
| 9) | Cadillac Renewable Energy | 0 | 1,593,407 | 0 | 11,918,684 | 36,507 |
| 10) | Piranha Hose | 1,403,500 | 1,403,500 | 10,498,180 | 10,498,180 | 35,095 |
| 11) | Pheasant Ridge | 1,389,000 | 1,389,000 | 10,389,720 | 10,389,720 | 29,258 |
| 12) | Four Winns Boat Group | 882,200 | 882,200 | 6,598,856 | 6,598,856 | 27,342 |
| 13) | Lakeshore Linen | 831,000 | 831,000 | 6,215,880 | 6,215,880 | 23,040 |
| 14) | Leisure Park | 696,200 | 696,200 | 5,207,576 | 5,207,576 | 17,408 |
| 15) | Kolarevic Car Wash | 497,800 | 497,800 | 3,723,544 | 3,723,544 | 13,330 |
| TOTAL | | | | | | <u>\$ 1,160,096</u> |

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 1996 THROUGH 2005

| <u>FISCAL YEAR</u> <u>ENDED OR</u> <u>ENDING JUNE 30,</u> | <u>0 TO</u> <u>600 CF</u> | <u>600 TO</u> <u>10,000 CF</u> | <u>10,000 TO</u> <u>100,000 CF</u> | <u>100,000 TO</u> <u>250,000 CF</u> | <u>OVER</u> <u>250,000 CF</u> |
|---|------------------------------|-----------------------------------|---------------------------------------|--|----------------------------------|
| 1996 | \$ 0.62 | \$ 0.78 | \$ 0.55 | \$ 0.44 | \$ 0.37 |
| 1997 | 0.64 | 0.79 | 0.57 | 0.46 | 0.39 |
| 1998 | 0.66 | 0.80 | 0.57 | 0.48 | 0.41 |
| 1999 | 0.68 | 0.82 | 0.61 | 0.50 | 0.43 |
| 2000 | 0.70 | 0.84 | 0.63 | 0.52 | 0.45 |
| 2001 | 0.84 | 0.74 | 0.65 | 0.55 | 0.46 |
| 2002 | 0.87 | 0.76 | 0.67 | 0.57 | 0.48 |
| 2003 | 0.90 | 0.78 | 0.69 | 0.59 | 0.50 |
| 2004 | 0.93 | 0.80 | 0.71 | 0.61 | 0.52 |
| 2005 | 0.97 | 0.83 | 0.74 | 0.63 | 0.54 |

CITY OF CADILLAC, MICHIGAN

MONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 1996 THROUGH 2005

| <u>FISCAL YEAR ENDED OR ENDING JUNE 30,</u> | <u>CHARGE PER 100 CF</u> | <u>PERCENT CHANGE</u> |
|---|------------------------------|---------------------------|
| 1996 | \$ 1.33 | 3.9 |
| 1997 | 1.37 | 3.0 |
| 1998 | 1.41 | 3.0 |
| 1999 | 1.45 | 3.0 |
| 2000 | 1.49 | 3.0 |
| 2001 | 1.52 | 2.0 |
| 2002 | 1.57 | 3.3 |
| 2003 | 1.62 | 3.2 |
| 2004 | 1.67 | 3.1 |
| 2005 | 1.74 | 4.2 |

Data furnished in compliance with securities and exchange commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues.

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT VOLUME AS PUMPED
FISCAL YEARS 1996 THROUGH 2005

| FISCAL YEAR | WATER SUPPLY VOLUME AS PUMPED | | | WASTEWATER TREATMENT VOLUME AS PUMPED | | | WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY |
|----------------|----------------------------------|-------------|---------------|--|-------------|---------------|---|
| | CUBIC FEET | GALLONS | CHANGE | CUBIC FEET | GALLONS | CHANGE | |
| | | | IN PERCENT | | | IN PERCENT | |
| 1996 | 126,724,600 | 947,900,008 | (2.20) | 97,767,000 | 731,297,160 | 1.90 | 77.10 |
| 1997 | 128,649,700 | 962,300,000 | 1.50 | 121,911,800 | 911,900,000 | 24.70 | 94.70 |
| 1998 | 113,222,000 | 846,900,000 | (12.00) | 108,570,000 | 812,100,000 | (10.90) | 95.90 |
| 1999 | 112,150,000 | 838,900,000 | (0.90) | 98,940,000 | 740,100,000 | (8.90) | 88.20 |
| 2000 | 117,928,000 | 882,100,000 | 5.10 | 108,663,000 | 812,800,000 | 9.80 | 78.60 |
| 2001 | 114,643,000 | 857,528,000 | (2.80) | 110,280,000 | 824,893,000 | 1.50 | 96.20 |
| 2002 | 104,011,000 | 778,000,000 | (9.30) | 108,877,000 | 814,400,000 | 1.30 | 104.70 |
| 2003 | 107,473,262 | 803,900,000 | 0.03 | 101,844,920 | 761,800,000 | (0.06) | 94.76 |
| 2004 | 105,160,428 | 786,600,000 | (0.02) | 102,606,952 | 767,750,000 | 0.01 | 97.60 |
| 2005 | 109,906,000 | 822,100,000 | 0.05 | 106,048,000 | 793,240,000 | 0.03 | 96.49 |

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2005

| METER CLASSIFICATION | WATER SUPPLY | PERCENT OF TOTAL | WASTEWATER TREATMENT |
|-------------------------|------------------|------------------------|------------------------|
| | VOLUME AS BILLED | | VOLUME AS BILLED |
| | CUBIC FEET | | CUBIC FEET |
| | | | PERCENT OF TOTAL |
| Unmetered | 0 | | N/A |
| 5/8" | 30,300,076 | 30.84 | 28,755,40332.09 |
| 3/4" | 27,900 | 0.03 | 27,9000.03 |
| 1" | 4,562,370 | 4.64 | 3,287,0703.67 |
| 1 1/2" | 3,726,082 | 3.79 | 2,303,0652.57 |
| 2" | 17,652,800 | 17.97 | 26,052,43429.07 |
| 3" | 2,954,500 | 3.01 | 2,954,5003.30 |
| 4" | 19,457,600 | 19.81 | 10,148,76211.32 |
| 6" | 17,797,800 | 18.12 | 16,093,40517.96 |
| 8" | 1,760,000 | 1.79 | 00.00 |
| TOTAL | 98,239,128 | 100.00 | 89,622,539100.00 |

CITY OF CADILLAC, MICHIGAN

WATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATION

FISCAL YEAR ENDED JUNE 30, 2005

| <u>METER CLASSIFICATION</u> | <u>WATER SUPPLY</u> | | <u>WASTEWATER TREATMENT</u> | |
|---------------------------------|---------------------|---------------------------------|-----------------------------|---------------------------------|
| | <u>REVENUE</u> | <u>PERCENT OF TOTAL</u> | <u>REVENUE</u> | <u>PERCENT OF TOTAL</u> |
| Unmetered | | | \$ 43,551 | 2.23 |
| 5/8" | \$ 447,994 | 42.99 | 704,476 | 36.09 |
| 3/4" | 495 | 0.05 | 659 | 0.03 |
| 1" | 54,815 | 5.26 | 80,474 | 4.12 |
| 1 1/2" | 51,800 | 4.97 | 66,830 | 3.42 |
| 2" | 166,915 | 16.02 | 486,215 | 24.92 |
| 3" | 31,133 | 2.99 | 63,948 | 3.28 |
| 4" | 147,555 | 14.16 | 208,936 | 10.70 |
| 6" | 121,198 | 11.63 | 296,902 | 15.21 |
| 8" | 20,141 | 1.93 | 0 | 0.00 |
| TOTAL | <u>\$ 1,042,046</u> | <u>100.00</u> | <u>\$ 1,951,991</u> | <u>100.00</u> |

Data furnished in compliance with Securities and Exchange Commission rule 15c2-12 which requires the City to annually provide updated information filed for revenue bond issues.

134 WEST HARRIS STREET
CADILLAC, MICHIGAN 49601
231-775-9789
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JACK H. BAIRD, C.P.A.
JERRY L. COTTER, C.P.A.
DALE D. COTTER, C.P.A.

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MICHAEL D. COOL, C.P.A.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

September 6, 2005

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan as of and for the year ended June 30, 2005, which collectively comprise the City of Cadillac's basic financial statements and have issued our report thereon dated September 6, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Cadillac's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cadillac's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, the City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

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September 6, 2005

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor and City Council
City of Cadillac, Michigan

We have audited the compliance of the City of Cadillac, Michigan with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2005. The City of Cadillac's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Cadillac's management. Our responsibility is to express an opinion on the City of Cadillac's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cadillac's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Cadillac's compliance with those requirements.

In our opinion, the City of Cadillac complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the City of Cadillac is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cadillac's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

CITY OF CADILLAC, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005

| | FEDERAL CFDA NUMBER | PASS-THROUGH ENTITY IDENTIFYING NUMBER | FEDERAL EXPENDITURES |
|--|---------------------------|---|-------------------------|
| U.S. Department of Homeland Security | | | |
| Federal Emergency Management Agency | | | |
| Direct Program | | | |
| Assistance to Firefighters Grant Program | 97.044 | EMW-2003-FG-18374 | \$ 31,176 |
| Total Direct Programs | | | \$ 31,176 |
| Total U.S. Department of Homeland Security | | | \$ 31,176 |
| U.S. Department of Interior | | | |
| National Park Service | | | |
| Direct Program | | | |
| Cadillac Memorial Fountain | N/A | GA6024-E-0010 | \$ 70,000 |
| Total Direct Programs | | | \$ 70,000 |
| Total U.S. Department of Interior | | | \$ 70,000 |
| U.S. Department of Transportation | | | |
| Federal Highway Administration | | | |
| Pass-through Program from: | | | |
| Michigan Department of Transportation | | | |
| Highway Planning and Construction Grant | | | |
| Major Street Construction | 20.205 | 02-5102 | 413,982 |
| Total Pass-through Programs | | | \$ 413,982 |
| Total U.S. Department of Transportation | | | \$ 413,982 |
| U.S. Department of Housing and Urban Development | | | |
| Community Planning and Development | | | |
| Pass-through Program from: | | | |
| Michigan Housing Development Authority | | | |
| Rental Housing Rehabilitation Grant | 14.228 | MSC-2002-546-MDC | \$ 36,000 |
| Total Pass-through Programs | | | \$ 36,000 |
| Total U.S. Department of Housing and Urban Development | | | \$ 36,000 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 551,158 |

CITY OF CADILLAC, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cadillac, Michigan and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

CITY OF CADILLAC, MICHIGAN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2005

There were no prior audit findings.

CITY OF CADILLAC, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005

Summary of Auditors' Findings

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Cadillac, Michigan.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance material to the financial statements of the City of Cadillac, Michigan, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of internal control over the major federal award programs.
5. The auditors' report on compliance for the major federal award program of the City of Cadillac, Michigan expresses an unqualified opinion on the major federal program.
6. There are no audit findings relative to the major federal award program for the City of Cadillac, Michigan.
7. The program tested as a major program was Highway Planning and Construction CFDA No. 20.205.
8. The threshold used to distinguish between a Type A and B program was \$300,000.
9. The City of Cadillac, Michigan, did not qualify as a low-risk auditee.

Findings - Financial Statement Audit

1. There were no current year findings or questioned costs.

Findings and Questioned Costs - Major Federal Award Program Audit

1. There were no current year findings or questioned costs.